

SENATE

WEDNESDAY, NOVEMBER 24, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

BURTON K. WHEELER, a Senator from the State of Montana, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, November 23, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pepper
Andrews	Copeland	La Follette	Pittman
Ashurst	Davis	Lee	Pope
Austin	Dieterich	Lewis	Radcliffe
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Loneragan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Bone	Gibson	McGill	Smith
Borah	Gillette	McKellar	Stelwer
Bridges	Graves	McNary	Thomas, Okla.
Brown, N. H.	Green	Maloney	Thomas, Utah
Bulkey	Guffey	Miller	Townsend
Bulow	Hale	Minton	Truman
Burke	Harrison	Moore	Tydings
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Wagner
Caraway	Hitchcock	Nye	Wheeler
Chavez	Johnson, Calif.	O'Mahoney	White
Clark	Johnson, Colo.	Overton	

Mr. MINTON. I announce that the Senator from West Virginia [Mr. Holt], the Senator from Delaware [Mr. Hughes], and the Senator from North Carolina [Mr. Reynolds] are absent from the Senate because of illness.

The Senator from New Jersey [Mr. Smathers] is absent because of illness in his family.

The Senator from Michigan [Mr. Brown], the Senator from Ohio [Mr. Donahey], the Senator from Virginia [Mr. Glass], the Senator from Nevada [Mr. McCarran], and the Senator from Massachusetts [Mr. Walsh] are unavoidably detained.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PETITIONS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Philadelphia Committee for Industrial Organization and United Workers Local Industrial Union, No. 37, both of Philadelphia, Pa., favoring the enactment of wage and hour labor legislation and protesting against the lay-off of workers in the Philadelphia area, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by Local No. 1 of the United Federal Workers of America (acting for the administrative employees of the Works Progress Administration), Washington, D. C., favoring the prompt enactment of the bill (H. R. 8428) to provide for the hearing and disposition of employee appeals from discriminatory treatment by superiors in the Federal service, and the bill (H. R. 8431) establishing a 5-day workweek in the Federal service, and for other purposes, which were referred to the Committee on Civil Service.

THE BUSINESS SITUATION

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD and lie on the table a telegram received by me bearing on the present business recession.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

EDGEWOOD, DEL., November 23, 1937.

Senator JOHN G. TOWNSEND, JR.,

Senate Office Building, Washington, D. C.:

The customers of our company represent a fair cross section of the heavy-goods industry, and we are daily having the experience of projects which were about to proceed being held off, with the result that practically no actual orders are being placed. This situation is having a demoralizing effect upon business in general, and the situation in our own plant is becoming desperate, as we have already been obliged to lay off about half of our factory workers and will soon be obliged to lay off still more men. With our broad contacts with businessmen it is apparent that the cause for withholding the placing of business is due to lack of confidence. Businessmen, large and small, are waiting to determine if business will be accorded the treatment by Washington to which it is entitled. It is imperative that Washington take drastic and immediate steps to revive confidence and assure business that it can be conducted in a manner beneficial to both employees and owners. We earnestly request and urge you to untiringly lend your efforts to this end, for upon Washington now rests the destiny of both workers and business.

J. H. SHIVELY,

Vice President and General Manager,
Edgemoor Iron Works, Inc.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McADOO:

A bill (S. 3038) to aid in the national defense, to promote water-borne commerce between the States, to further the development and maintenance of intercoastal shipping, and for other purposes; to the Committee on Commerce.

By Mr. TRUMAN:

A bill (S. 3039) granting a pension to Thyra Wilks (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

(By request.) A bill (S. 3040) for the relief of Herman F. Kraft; to the Committee on Naval Affairs.

A bill (S. 3041) to ratify and confirm Act 23 of the Session Laws of Hawaii, 1937, extending the time within which revenue bonds may be issued and delivered under Act 174 of the Session Laws of Hawaii, 1935; and

A bill (S. 3042) to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport; to the Committee on Territories and Insular Affairs.

By Mr. SMITH:

A bill (S. 3043) to provide for loans to farmers for crop production and harvesting during the year 1938, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SCHWELLENBACH:

A bill (S. 3044) for the relief of Dave Hassel and Jacob Bassi;

A bill (S. 3045) for the relief of William R. Dibkey;

A bill (S. 3046) for the relief of Richard D. Krenik; and

A bill (S. 3047) for the relief of Lars Mikkalsen, Martin Pedersen, Martin Johansen, Harold Strom, Ivar Rudd, Abel Moen, Ivar Jervik, Alfred Horn, Sverre Olsen, and Fritz Fredericksen; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3048) authorizing the Secretary of Commerce to convey a certain tract of land to the State of Oregon for use as a public park and recreational site; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 3049) for the relief of R. A. Scruggs (with accompanying papers); to the Committee on Claims.

AGRICULTURAL RELIEF—AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which was ordered to lie on the table and to be printed.

NATIONAL BITUMINOUS COAL COMMISSION

Mr. DAVIS. Mr. President, I ask consent to submit a resolution requesting information concerning activities of the National Bituminous Coal Commission, which I request may be printed in the RECORD and appropriately referred.

There being no objection, the resolution (S. Res. 200) was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows—

Resolved, That the National Bituminous Coal Commission is requested to transmit to the Senate immediately:

1. A copy of the resolution introduced by a member of the Commission and transmitted to the President making serious charges against one of the Commissioners;
2. All information denied the consumers' counsel with respect to price fixing of coal;
3. The number of employees on the Coal Commission not under civil service;
4. Copy of correspondence between the Coal Commission and the General Accounting Office relating to civil service; and
5. Also such other information as may be available for the use of the Senate.

VICE PRESIDENT GARNER

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an editorial from the New York Times headed "Mr. Garner," which appears in the Appendix.]

CONSERVATION PHASES OF THE GOVERNMENT'S POWER PROGRAM

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article by Hon. Harold L. Ickes, Secretary of the Interior, dealing with the conservation phases of the Government's power program, published in the New York Times of Sunday, November 7, 1937, which appears in the Appendix.]

THE WIDEST USE OF ELECTRIC POWER—ARTICLE BY CLARK FOREMAN

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article by Clark Foreman, Chief of the Power Division of the Public Works Administration, on The Widest Use of Electric Power, which appears in the Appendix.]

STOCK EXCHANGES AND THEIR OPERATIONS

[Mr. MALONEY asked and obtained leave to have printed in the RECORD a statement issued by Chairman William O. Douglas, of the Securities and Exchange Commission, on November 23, 1937, which appears in the Appendix.]

THE WORKINGMAN'S TAX BILL

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD abstracts from a series of articles in the Providence Journal and Evening Bulletin, of Providence, R. I., regarding a research study of the actual expenditures of three thrifty New England families, which appear in the Appendix.]

INTERNATIONAL PEACE—EDITORIAL FROM WASHINGTON POST OF NOVEMBER 24, 1937

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of today, headed "No Peace Through Passivity," which appears in the Appendix.]

AGRICULTURAL RELIEF

The Senate resumed consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. POPE obtained the floor.

Mr. McNARY. Mr. President, I desire to propound an inquiry to the Senator from Idaho. If he has a prepared address, I shall be very willing to have him conclude before any questions are propounded. I want to consult his pleasure in the matter. If the Senator desires to deliver his address and conclude it before questions are asked, I will respect his feelings.

Mr. POPE. I prefer to have questions asked as I go along, if that seems to the Members of the Senate a desirable course. It makes no difference to me.

Mr. President, on February 8, 1937, the Secretary of Agriculture realized that the large acreage planted in wheat and in corn and in cotton which was then apparent would prob-

ably result in surpluses of farm products for the year 1937. On that date he called together farm leaders from all over the United States, representing the various farm organizations. The number who attended was about 60. At that time, as a result of that conference, a statement of principles was adopted by the group of farmers. Following that conference the committee of farmers proceeded to prepare a bill to meet the situation. The Farm Bureau Federation, as it happened, was most active in the preparation of the bill. So later in the session a bill was introduced by the Senator from Kansas [Mr. MCGILL] and myself embodying the work and the ideas of the committee representing the farmers.

As time went on the results which Secretary Wallace had foreseen occurred. The price of cotton first fell and later the price of corn and still later the price of wheat; and toward the end of the session it began to be realized by the Members of this body and the people generally that legislation was necessary.

It will be remembered that Senators representing the cotton-growing States urged upon the President the necessity of making loans to cotton growers. At the same time there was some discussion of the necessity of loans to corn growers. So a joint resolution was passed by the Congress at the last session, being Senate Joint Resolution 207, Public Resolution No. 69, which was signed by the President. I think I will read a few sentences of that joint resolution to show its substance:

Whereas a permanent farm program should (a) provide not only for soil conservation but also for developing and improving the crop-adjustment methods of the Agricultural Adjustment Act, (b) protect agriculture and consumers against the consequences of drought, and (c) safeguard farmers and the business of the Nation against the consequences of farm price decline; and

Whereas it is the sense of Congress that the permanent farm legislation should be based upon the following fundamental principles:

- (1) That farmers are entitled to their fair share of the national income;
- (2) That consumers should be afforded protection against the consequences of drought, floods, and pestilence causing abnormally high prices by storage of reserve supplies of big crop years for use in time of crop failure;
- (3) That if consumers are given the protection of such an ever-normal granary plan, farmers should be safeguarded against undue price declines by a system of loans supplementing their national soil-conservation program; and
- (4) That control of agricultural surpluses above the ever-normal granary supply is necessary to safeguard the Nation's investment in loans and to protect farmers against a price collapse due to bumper yields resulting in production beyond all domestic and foreign need.
- (5) That the present Soil Conservation Act should be continued, its operations simplified, and provision made for reduced payments to large operators on a graduated scale to promote the interest of individual farming.

There are other provisions of the joint resolution but those read seem to me to be essential. The resolution concludes with this statement:

That abundant production of farm products should be a blessing and not a curse, that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening, and that it is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

Another resolution authorized the Committee on Agriculture and Forestry to conduct hearings throughout the country. Pursuant to that resolution two subcommittees of the Committee on Agriculture and Forestry did conduct hearings throughout almost the entire country. The western committee, of which I was a member, conducted hearings from Spokane, Wash., to New York City and heard witnesses from 20 States. With this joint resolution before us and with the bill which the Senator from Kansas [Mr. MCGILL] and I had introduced at the request of the farmers, we heard the testimony of perhaps 1,200 or 1,500 farmers in the West, Middle West, and Northeast.

Mr. MCGILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Idaho yield to the Senator from Kansas?

Mr. POPE. I yield.

Mr. MCGILL. I think the Senator's statement as to the number of States from which witnesses were heard by the subcommittee of which he and I were members, is not quite correct. My thought is, and I am quite sure of it, that we heard witnesses from 29 States all told.

Mr. POPE. The Senator from Kansas says we actually heard witnesses from 29 States instead of 20, as I stated. Probably he is correct.

Those witnesses represented all of the farm organizations in the States. They represented the agricultural officials of the various States. Numerous farmers who belong to no organization and hold no official positions testified before the subcommittee.

I think this is a fair statement of the sentiment which was obtained by the subcommittee with reference to farm legislation. Some of the witnesses had read the bill introduced by the Senator from Kansas and myself, Senate bill 2787. A few of them had read other agricultural bills pending in the Senate or in the House. I would say that 80 percent, at least, of those who testified were in favor of the principles involved in the bill and were in favor of the principles set out in the joint resolution of the Congress to which I have referred. In some places we had a substantial number who favored a cost-of-production bill such as has been introduced in this body by the Senator from California [Mr. McAdoo.]

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. POPE. I yield.

Mr. NORRIS. Is it not fair to state that the bill in question attempts to carry out the principles outlined in the joint resolution?

Mr. POPE. I think it is entirely fair, because the principles contained in the joint resolution with reference to parity price, with reference to the ever-normal granary, and with reference to commodity loans in connection with them, are covered in the bill now before us. Those who examine the bill will find that it corresponds substantially with the joint resolution passed by Congress at the last session.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from New York?

Mr. POPE. I yield.

Mr. COPELAND. When the committee heard the farmers, did the committee listen to potato farmers as well as wheat, corn, and other farmers?

Mr. POPE. I may say that all kinds of farmers were heard, those engaged in the growing of potatoes, those engaged in dairying, those engaged in fruit growing, or the production of any other agricultural commodity.

Mr. COPELAND. I have in my hand a letter from a citizen of my State and I wish to read just one or two sentences, because I want to know the answer. The writer of this letter says:

New York State farmers voted 14 to 9 in favor of the proposition—

That is the potato growers—

according to the Federal Government's report, but the fact is that probably not 3 percent of the farmers polled voted. They were too much disgusted with the proposition to do so. In Madison County, my own county, out of more than 200 farmers eligible only 7 cast a ballot, 6 being in favor.

The question I wish to ask is, When the committee heard farmers from my State, for example, what assurance did the committee have that the witnesses were really representative of the sentiment of the State?

Mr. POPE. The commissioner of agriculture of the State of New York was requested to extend an invitation to all farmers in his State, and to especially invite those whom he thought were particularly qualified to speak on any phase of the farming industry for the State of New York. In the hearings we did have a substantial number of potato growers present. I recall particularly those who came from Maine, but I think there were some from the State of New York. We had witnesses who were interested primarily in tobacco

growing in the Connecticut Valley. We had numerous representatives of the poultry industry and the dairying industry. I think almost every other phase of agriculture was represented at the hearings.

Mr. COPELAND. Is there not a provision in the bill as written for the exemption of 3-acre farms?

Mr. POPE. There are several parts to the bill. With reference to corn and wheat, about which I shall speak particularly today, there is no such exemption, but there is an exemption as to 300 bushels of corn and 100 bushels of wheat.

Mr. COPELAND. I am aware of that; but the Senator apparently is not familiar with exemptions so far as potatoes are concerned.

Mr. POPE. Potatoes are not included in the bill. There are no provisions in the bill with reference to potatoes, and no exemptions, of course.

Mr. COPELAND. Is not the same argument with reference to the exemption of potatoes an argument which would hold with reference to the exemption of corn and wheat?

Mr. POPE. It occurs to me that might be true, that it would be appropriate to make some exemption as to potatoes, although I have not studied the matter carefully.

Mr. COPELAND. I wish to ask the Senator one more question and then I shall take my seat. I notice that the bill on page 9 contains this provision:

The corporation is directed to make available loans on cotton and may make loans available on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton.

Why are not potatoes included?

Mr. POPE. I should prefer that the Senator from Mississippi [Mr. Bilbo] answer that question, because he offered that amendment to the bill. It occurs to me that language means what it says—that loans may be available on all types of commodities, but they would not be available under the schedules and provisions of this bill.

Mr. COPELAND. Then the language would include potatoes?

Mr. POPE. I assume so; but I should prefer to have the Senator from Mississippi, who offered that amendment, explain it to the Senator. I am not familiar with it.

Mr. COPELAND. Just one more thing, and then I really will stop.

On page 19, beginning at line 5, the bill reads:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage—

And so forth. Does that mean that there will be an encouragement for those farmers who take wheat and corn out of cultivation to make use of the acreage not planted to those crops for the development of the dairy industry?

Mr. POPE. I am glad the Senator asked that question, because yesterday the Senator from Vermont [Mr. Austin] asked the same question.

I will say to the Senator that so far as the farmers are concerned who participated in the preparation of the bill, their idea was just the reverse. They wanted some restriction upon those farmers in the matter of increasing their dairy herds and putting them on these depleted acres. Since there is now no limitation upon that, it was thought that the Secretary might properly restrict the increase of those herds by reason of the depleted acres.

Mr. COPELAND. The Senator realizes that in a great dairy State like mine it would be calamitous to have all the acreage no longer planted to other crops made use of for dairy development.

Mr. POPE. That is exactly why those farmers who were interested—and I will say to the Senator that dairy farmers participated—desired that some restriction be placed upon the increase of dairy herds by reason of the diverted acres. As the condition now is, the farmers could do exactly that thing.

Mr. COPELAND. Does the bill provide for such restriction?

Mr. POPE. No; it simply gives the Secretary power to make restrictions or regulations with reference to the matter.

Mr. COPELAND. Does the Senator get that idea from the language on page 19 which I have just quoted?

Mr. POPE. Yes [reading]:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity as shall be provided in his adjustment contract.

Mr. COPELAND. But to me that means that the contractor agreeing to limit his crop of wheat and corn might proceed, however, with dairy development.

Mr. POPE. All I can say is that that was the suggestion of the dairy farmers who were present as a means of restricting that very thing.

Mr. MCGILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kansas?

Mr. POPE. I yield to the Senator from Kansas.

Mr. MCGILL. Is not the interpretation to be placed upon this section simply this—that without section (b) in the bill the Secretary would have no authority to place in the contract any restrictions with reference to increasing dairy herds on acres taken out of production?

Mr. POPE. That is so.

Mr. MCGILL. But with that section in the bill the Secretary would have authority to restrict the farmers from using the acreage for the purpose of increasing their dairy herds.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho further yield to the Senator from New York?

Mr. POPE. I yield.

Mr. McNARY. Mr. President, may we have better order? There is so much whispering and so much conversation in the Chamber, and the Senator from New York speaks in such a low tone, that on this side of the Chamber it is impossible to hear what is being said.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COPELAND. I may say for the benefit of my friend from Oregon that I am trying to find out whether or not the dairy interests are to be given new competition by this bill. I am now assured by the Senator from Kansas [Mr. MCGILL], as well as the Senator from Idaho [Mr. POPE], that the language of the bill gives the Secretary authority to protect the dairy farmers. I am frank to say, however—and that is what I rose to say—that if that is the purpose of the language, I think it should be restated in order that it may be made perfectly clear that restriction of acreage for the benefit of the wheat and corn farmers and other farmers is not to carry with it the almost sure result of an increase in the raising of cattle and a decline of the dairy industry.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. In a moment. I will say to the Senator from New York that if he desires to submit an amendment to make that more clear, I am sure the authors of the bill will be very glad to consider it with a view of carrying out the purpose he has indicated. This, as I understand, is the language suggested by the dairymen who took part in framing the bill. If the Senator can improve upon that language to carry out the purpose in view, I am sure there will be no objection.

Mr. COPELAND. But it is the purpose, is it, to make certain that this waste land or unused land will not be turned over to dairy development?

Mr. POPE. Yes. That is the reason why that provision was put in.

Mr. COPELAND. And is the Senator from Idaho in sympathy with that purpose?

Mr. POPE. Yes; I am.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield.

Mr. McNARY. I am attracted to my feet by the observation made by the Senator from Idaho. It is possible that there is in the bill sufficient power for the Secretary not to expand the dairy business; but the provision to which attention was called yesterday by the able Senator from Vermont [Mr. AUSTIN] unquestionably gives the Secretary of Agriculture power to expand the dairy industry by using the diverted lands for dairy purposes. What he will do, I do not know. He has power to curtail; he has power to enlarge. I do not want anyone to have that power.

Referring now particularly to the section also spoken of by the able Senator from New York [Mr. COPELAND], I think the word "dairy" should come out of that section. I think as the language stands it is a permission, almost a direction, that the Secretary shall employ some of the lands diverted from corn and cotton and other so-called major crops to enlarging the dairy industry.

Will the Senator yield to me further?

Mr. POPE. Just a moment. With reference to the suggestion of the Senator from Oregon that the word "dairy" come out entirely, I desire to say that that certainly would leave the matter unrestricted, so that the man who did divert his acres could produce herds very much larger than he formerly had, and put them on these acres without any restriction, if that is what the Senator desires.

Mr. McNARY. Very well. We can cover that, if we can come to an agreement on the subject, by placing the negative term "not" before "dairy." Then it will not be possible to do what has been suggested.

May I add just one other word? I asked the Senator at the start of his speech if he would rather conclude before being interrupted. I should like to have him make as clear an analysis as he can of the bill; but I wish to ask him if we cannot agree on one proposition regarding the genesis of the bill and the hearings that were held, which have covered it but not completely.

Is it not true that the bill originated with one agricultural organization, namely, the American Farm Bureau Federation? Of that I have no criticism. It was first produced by them and presented to a conference, over which the Secretary of Agriculture presided, which was attended by members of two other large organizations which did not collaborate in framing the bill. This organization then sent out copies to all of their leaders in the various regions and sections of the country. That is correct, is it not? There is no doubt about that?

Mr. POPE. I do not know. I think they did send out some letters. We found a number of Farm Bureau members at the hearings.

Mr. McNARY. That, of course, was something they had a perfect right to do. When some hearings were held here in May on this unpublished and unintroduced bill, the only ones supporting the measure in its then form were members in some fashion of the American Farm Bureau Federation, save one individual who was their attorney. To that I have no objection. When the hearings were had—if they may be called hearings—in the Senate Committee on Agriculture and Forestry, the only group of farmers represented were the American Farm Bureau Federation. They sat there in so-called executive session.

Now, let us consider just one other thing in order to make the record complete.

When the subcommittee went out, composed of the able Senator from North Dakota [Mr. FRAZIER], the Senator from Idaho [Mr. POPE], and the Senator from Kansas [Mr. MCGILL], they performed a splendid service to agriculture. Those men are entitled to all the commendation that words from any eloquent voice will carry. They did their work well. We have no record of what transpired at the hearings; but by one of the members of the subcommittee I am advised that most of those attending and supporting this measure were members of the American Farm Bureau Federation, of which I have no complaint. Members of the

National Grange in the States and the Farmers Union opposed the measure, as I think the record would disclose if we could have the record, which, however, is denied us.

As to the hearings—and I mentioned this matter before the committee—I wanted the hearings recorded; but, for some reason or other, they were not recorded. When the subcommittee came to the West, they stopped at Spokane, Wash., which is on the eastern boundary of the State of Washington, and is in what is called the semiarid section of the West. The subcommittee was 500 miles away from the fertile lands of the Pacific coast. They did not enter the State of Oregon or the State of California. Anyone familiar with the geography and climate of the great Pacific coast country, and knowing where the population resides, must know that the portions rich in agricultural production, and the areas most thickly populated, and where there is greatest activity, are west of the Cascade Mountains, from the Canadian line, following the contour of the Sierra Nevada Mountains, to the southern part of California, or Mexico. In that vast territory is found the diversified farming of the West. That is where 90 percent of the farmers are employed, where we find 75 percent of the taxpayers of that section of the country, and where 72 percent of the agricultural commodities are produced. Not a hearing was held in that section to ascertain what was raised there.

Was there any effort on the part of this committee to ascertain what the fruit man wanted, what the great poultry industry, one of the largest interests on the coast, wanted, what the butter man, the hop man, the flax man, the pear man, the apple man, the hay and potato men wanted, the production of the latter commodities being great industries in agriculture in that section of the country? Not one of those interests had an opportunity to be heard. It is true that Mr. Zimmerman, from my State, an able man, representing the National Grange and the Farmers Union, went to Spokane and protested against the bill. There were one or two others, members of the American Farm Bureau Federation, who appeared. But practically no voice has been heard from that part of the country, which produces a larger income from agriculture than all the intermountain States combined. No hearings were held in that area. Therefore, we have no record today of how those people feel about the bill, and their views would be undisclosed, but I hope some day to express them, regarding the provisions of the bill.

When we came to the committee—

Mr. POPE. Mr. President, I want to be generous in yielding, but if the Senator is going to take a great deal of time I should like to proceed.

The PRESIDING OFFICER. The Senator from Idaho is the master of his own time.

Mr. McNARY. I am merely giving what I call a portrait to keep on the walls of our memories as against that of the Senator with regard to the hearings. I had just about concluded. I appreciate very much the courtesy extended to me by the Senator from Idaho.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. POPE. I will yield in a moment, but I wish to make one statement in reply to the Senator from Oregon.

We might as well clear the matter of the hearings up now. The hearings of the subcommittee which went west had to do with wheat and corn, the only two commodities mentioned in the bill. There is nothing in the bill in connection with dairying or fruit growing or the raising of any other commodity except wheat and corn.

We knew that Spokane was in the very heart of the Northwest wheat area. And in order to accommodate the wheat growers in Utah, western Wyoming, and southern Idaho, and the livestock men who were interested in the wheat situation in Nevada and contiguous territory, a hearing was held at Boise, Idaho.

With reference to those who attended the hearings, I obtained a list from the commissioner of agriculture of each State, and the deans of the agricultural colleges, and sent

personal invitations to all those people to attend. I sent a request to the president of every farm organization to be present and to testify if he desired to do so, and to invite any other farmers he might choose to invite. So it was our purpose to and we did invite farmers as widely as we could, with notices in the newspapers to all farmers who desired to be heard, and on occasions over the radio announcements were made inviting farmers to be present and to speak if they desired to do so.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. POPE. In just a moment. We attempted to be just as fair as we could be with reference to those hearings in the West.

The reason why we did not go to the Pacific coast was simply because in California and in western Oregon there was not the great production of wheat or corn that appeared in the intermountain area and that neighborhood.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. McNARY. Then the mission of the Senator and his committee was simply to inquire of the farmers what people thought about wheat and corn. I thought the committee was appointed to explore and study the agricultural problem.

Mr. POPE. I will say to the Senator that since the bill which had been introduced and since the resolution, as we interpreted it, had to do with the commodities of which a considerable quantity was exported, we attempted to hold the hearings where the wheat farmers and corn farmers principally could express themselves; but, at the same time, all farmers were invited.

The Senator speaks of fruit growing and other agricultural pursuits in his State. There were fruit growers from Washington who definitely represented groups of growers. There were representatives from the Senator's own State, both at Spokane and at Boise. I distinctly recall a very considerable number of farmers from Oregon over at Boise, all of whom had an opportunity to testify, and most of them did testify. At Spokane we had a considerable number of farmers present; at any rate, they were all invited, and we did the best we could, so far as hearings were concerned.

Now I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I call the Senator's attention to page 19, the provision with reference to dairy practices. I may say that when I read the words "dairy practices" my first-blush impression was the same as that of the Senator from Vermont, as expressed yesterday, and that of the Senator from New York. I recognize the distinct desirability of the provision where that expression occurs, and I cannot agree with the Senator from Oregon at all that the language should be stricken from this provision of the bill, but I am wondering whether or not the authors of the bill would be willing to accept an amendment in this language on line 7, page 19, striking out the words "dairy practices" and inserting the words "restriction of dairy operations."

Mr. POPE. Mr. President, so far as I am concerned, I think there would be no objection to that amendment, but I should prefer to have the Senator delay offering it until the committee amendments have been disposed of, in order that we may have an opportunity to give it some further study. That is the exact thought I had in mind and expressed to the Senator from New York a few minutes ago.

Mr. COPELAND. Mr. President, I add my plea that the Senator from Washington defer his request, because I want to talk with the Senator about this.

I am very anxious indeed that language be chosen to make certain that the dairy interests as now operated may be protected, and therefore, from my standpoint, I should like very much to confer with the Senator from Washington, or anyone else, because as the language appears I am convinced that the dairy industry is not protected, and it certainly should be.

Mr. AUSTIN. Mr. President, will the Senator from Idaho yield to me?

Mr. POPE. I yield.

Mr. AUSTIN. I will ask the Senator in charge of this matter if he will not defer decision on the request until later, so that others who are likewise interested in this particular aspect of the bill may confer with him.

Mr. POPE. I have already made that suggestion myself, that the Senator from Washington defer offering such an amendment in order that it might be studied.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. LOGAN. Getting away from the immediate matter the Senator has been discussing, I wish to ask him one question which interests me. I took the bill home with me and read it, and I think it is a good bill; but I want to be satisfied as to what final disposition may be made, under the provisions of the bill, of the impounded surpluses which must exist in connection with the ever-normal-granary features of the bill.

Mr. POPE. I hope the Senator will be content with a very brief statement of that matter now, because I expect to go into the subject when I reach the provisions dealing with the establishment of an ever-normal granary and the establishment of marketing quotas. It would be better to raise the question when we reach those provisions. I will say to the Senator, however, that the purpose is that when the normal supply of a commodity has been exceeded, an ever-normal-granary provision will go into effect, whereby the surplus up to 10 percent above the normal supply will be impounded in connection with loans. Then, if the surplus exceeds 110 percent, the farmers will have an opportunity to vote on a referendum as to whether there will be marketing quotas. If the Senator has read the bill carefully, he will remember that if marketing quotas are imposed there are provisions that even the noncooperators, as well as the cooperators, must the following year, reduce their yield so as to relieve the ever-normal granary of excessive surplus.

Mr. LOGAN. I am satisfied to let the matter rest until the Senator reaches it in order; but I want to be sure that there will not be a piling up of surpluses that must be disposed of by the National Government in some way that will protect farm prices. Something will have to be done with the surpluses without putting them on the market so that they will compete with the normal crop.

Mr. POPE. Mr. President, I shall deal with that matter when I reach the subject, and shall point out to the Senator such restrictions as are contained in the bill to prevent the situation he mentions.

Mr. DUFFY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wisconsin?

Mr. POPE. I yield.

Mr. DUFFY. Reverting for just a moment to the discussion with reference to the dairy interests, was any consideration given by the committee to the thought that in these soil-conserving practices, unless there were some restrictions, the land and the area taken out of production of other crops, for which benefits would be given, would very likely be used for the production of dairy products? In other words, as the bill is framed, on page 19, it would seem to make it an object for farmers who had taken their land out of the production of other crops to go into dairy production, and give competition to those who are already engaged in that production.

Mr. POPE. I can only say, as I said before, that the purpose was to give the Secretary of Agriculture power to impose in the contract restrictions upon that very thing. It has been suggested by some Senators that more specific language should be used in order to accomplish that purpose. However, the purpose was to create a restriction, because without anything dealing with that matter in the bill or in the contract that may be entered into, there would be no restriction. The farmers then could do the very things that the Senator from Wisconsin fears.

Mr. SCHWARTZ. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. POPE. I yield.

Mr. SCHWARTZ. If it is the purpose to specify dairy products in a restrictive sense I am wondering whether the Senator and the committee would be inclined to mention stockraising and the production of veal and mutton? We are rather apprehensive that a great deal of land turned over to the production of forage might occasion detriment to the livestock men in general.

Mr. POPE. I will say to the Senator that if he has fears about the increase in the number of livestock, he might collaborate with Senators interested in dairying in perfecting language to cover that matter. It certainly is not the purpose of those who drafted the bill to encourage the production either of dairy herds or beef herds in connection with what is sought to be accomplished by the measure.

Mr. LEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. POPE. I yield.

Mr. LEE. I desire to ask a few questions on the general policy of the bill. Did the committee find opposition to production control? Yesterday the chairman of the Committee on Agriculture and Forestry stated that much interest was found in production control. Did the committee find much objection to production control?

Mr. POPE. I will say to the Senator that my judgment is that 90 percent, if not 95 percent of the witnesses who testified before the committee were in favor of some form of production control, but there was difference of opinion among them as to how it should be accomplished.

Mr. LEE. The general policy, then, of raising the farm price is by cutting down the production, so that the law of supply and demand will raise the price? Is that the general purpose?

Mr. POPE. That is the purpose.

Mr. LEE. In that regard, did those who protested offer a constructive program on the other side by what is known as the domestic allotment plan? May I have enough time to explain that? That is, that the amount of the crop that is used in this country be determined and on some fair basis each farmer be allotted the amount of the domestic crop that he can produce, on which he will be guaranteed, let us say, a fair price, and then allow him to be his own judge as to the amount he raises above that; but he must take the world market price for the additional crop he produces. In other words, give him an outright subsidy in return for complying with the soil-conserving policy laid down by the Government. Did the committee find any support for that plan?

Mr. POPE. Yes; a comparatively small amount of support was received for that sort of proposal. I will say to the Senator that at Sioux City, Iowa, where about 7,000 farmers were in attendance at the committee hearing, and 101 farmers testified, one of the reporters kept a record of the stand taken by the witnesses on these various measures. Sixty-five of the farmers who testified were generally in favor of the provisions of the joint resolution and the bill which the Senator from Kansas [Mr. McGINN] and I introduced. Fifteen were for a price-fixing proposal, sometimes mentioned as the McAdoo-Eicher bill. The rest were either against any sort of legislation or were vague as to what they thought ought to be done.

Mr. LEE. Mr. President, I favor the domestic-allotment idea. There must be some good answer to or some good reason against the plan; otherwise the committee would have introduced a little more of that idea into the bill when they wrote it. I should like to have the Senator from Idaho in his own time, when he gets to it, give an answer concerning that proposal. The plan provides for allotting to the farmer a fair quota, and guaranteeing to him a fair price on the part of his production that we consume in this country, and call it a subsidy, in return for his complying with the soil-conserving policies laid down by the Government. That appeals to me as being a simple way of handling the situation.

In connection with questions upon a point which seems to concern Senators, about land that is being taken out of cultivation with respect to some crops, and being placed in cultivation for feed crops, which will mean more dairy competition, let me give an illustration. Take, for instance, a steel company. It can determine today how many tons of steel it will produce a year from today. The farmer, however, cannot. If we provide for domestic allotment, the farmer will get what we want him to get, that is a fair price. I do not believe it will cost us any more to do it in that way than in any other way. It will give us a greater exportable surplus with which to reclaim our slipping foreign markets. I notice that always the last bale of cotton produced pushes the first one off into the ocean.

Somehow or other the world ought to be able to come to a sensible idea of dividing up the markets in a way that will give everyone now a part according to the part he formerly had of the world's market. If he has not formerly had any part, he will not now receive any. Today we can sell our cotton, I think, if we push hard enough on it. Other countries want our cotton. If we could persuade 400,000,000 Chinese to lengthen their shirt tails, China would absorb our cotton. If they bought our cotton, we would get their money in exchange for our crops. I should like to have the Senator make answer in his own time. I will say to the Senator that I intend to support the bill.

Mr. POPE. Mr. President, from one end of the country to the other I have heard arguments that were almost as good as that made by the Senator with reference to the cost of production—price-fixing program. Without now giving my answer to that proposal, I may give some of the arguments that were developed with reference to it. For instance, if you fix the price of cotton at 20 or 25 cents per pound, based upon whatever might be found to be the cost of production, and let that apply to your domestically consumed cotton, some 6,000,000, 7,000,000, or 8,000,000 bales, you would have 11,000,000 or 12,000,000 bales to export, and in order to protect your domestic market a high enough tariff would have to be established to keep out all other cotton and prevent it from coming into competition. The same would be true of wheat and the same would be true of any other commodity upon which a price was fixed on the domestically consumed portion. That is one argument which was developed by witnesses in the course of our discussion.

In the second place, it was frequently pointed out by the witnesses that the difficulty of arriving at what is cost of production was perfectly apparent, and if you should arrive at an average cost of production, then those who could not produce at that cost would have to sell at less than cost of production, anyway, and that would be distressing to a large number of farmers.

Another thing we developed was that if you fix a price on the domestically consumed portion of the farm crops it would almost be necessary to fix the price on the manufactured commodities in order to keep the cost of production in balance, because an increase, say, of 20 or 25 cents in cotton, or of \$1.50 in wheat, for the domestically consumed portion of the crop, would probably cause an increased cost to the consumers of manufactured and processed commodities, which would again make it necessary to increase the price of the farm products, and then the price of manufactured goods would go up again and we would have a spiral the end of which could not readily be seen.

Those are some of the objections and arguments which were developed throughout the country in discussing this matter with farmers. After a discussion of that as well as, I think, of every other bill that was before the Congress, those who favored that bill represented, I should say, from 5 percent to 10 percent of those who attended the hearings. Whether that was representative of the entire country or not I have no way of knowing, but I think that is a fair statement of what developed at the hearings with, I think, a fairly representative group of witnesses.

Mr. LEE. Mr. President, will the Senator yield further?

Mr. POPE. I yield.

Mr. LEE. The Senator has in mind a different proposition than that of which I was thinking. I did not have in mind the fixing of the price at all. Let us say suppose that the price of cotton is 7 cents a pound and the farmer is allotted a thousand pounds of lint cotton on which the Government will guarantee him a fair price. There again I do not say "cost of production"; let it be parity or whatever other name may be applied. A fair price can be arrived at, I presume, and for argument's sake, let us say that 16 cents would be a fair price for cotton, it being 7 cents now. The Government would then have to pay the farmer a bounty of 9 cents a pound on a thousand pounds of lint. When he takes his ginning certificate into the county agent or the postmaster or whoever is supposed to handle the matter, and shows that he has ginned a thousand pounds of lint, the Government gives him a check—call it a subsidy—for that amount. Then the Government is through with it. The Government does not fix the price. The farmer can take that cotton down the street and sell it; he can take it home and put it in a shed and store it or he can put it in a cooperative pool. The crop, after that, will follow the natural laws applicable to any commodity without any price being fixed; the law of supply and demand will operate upon it.

It is an outright subsidy and it is an offset to the subsidy industry has enjoyed for 150 years in the form of a tariff which the people have been paying. It would not cost, I believe—and I have some figures here to show that to be so—any more than would the proposed plan. It is not a price-fixing scheme; it is determining what is fair, and giving the farmer a bounty on the part that he contributes to the amount to be used in this country. The simplicity of the plan would restore to the farmer the feeling that he is lord of all he surveys, and he could raise what he wanted to raise. I think no farmer who raises cotton and knows how many backaches that are in a bale of cotton is going to put in cotton that he would have to sell at 7 cents, after he had had a reasonable amount allotted to him.

Such a plan would provide the ever-normal granary in a manner that would be really helpful. Store any commodity in great quantities and it is going to have a depressing effect on the market, no matter what we do; but let there be stored in small quantities in the farmers' sheds and in their barns all over the country cotton or wheat, or whatever it is, and we have the ever-normal granary. The farmer can store it and wait for the price to increase, because he has received his bounty check which will tide him over and which is equivalent to or better than a loan. So we would have the ever-normal granary and it would be spread out and would not have the same depressing effect on the market. I thank the Senator.

Mr. POPE. I am very glad to yield to the Senator. Let me say to him that I think the Department of Agriculture has made some estimate of the cost of the plan he has suggested, and I have on my desk a statement to the effect that the cost would be about \$1,000,000,000 a year.

Mr. LEE. Is not that what the plan proposed by the bill would cost?

Mr. SHIPSTEAD and Mr. TYDINGS addressed the Chair. The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. I think the Senator from Minnesota requested me to yield some time ago, and I yield first to him.

Mr. SHIPSTEAD. Mr. President, it seems to me there is some confusion of terms in discussing the bill. As I understand the bill, it is not a measure for control of production. I think the bill recognizes the futility of controlling production, in view of the experience we have had in controlling production in the past. We cannot control production because we cannot control the weather.

In the case of the cotton crop, with 10,000,000 acres less planted to cotton than last year, there has been produced this year the largest cotton crop, with one exception, in the history of the country—something like 18,000,000 bales.

As I understand, the bill anticipates a surplus. It is an effort to control surpluses, and such control is compulsory. The so-called normal granary anticipates a surplus; it could not be provided without having a surplus. It seems to me that we have been assuming in the discussion that this was a crop-control bill; and I want to make it clear that my understanding of the committee's view is that we are through with crop control; we recognize its futility. So, this is a surplus-control bill, as I understand it. Does the Senator from Idaho agree with that point of view?

Mr. POPE. Not entirely. The bill does possess some distinct acreage-control features; it is not entirely a marketing bill.

Mr. SHIPSTEAD. It is an attempt to control.

Mr. POPE. It is a combination of acreage control, production control, and marketing control, with the emphasis, however, upon marketing control so far as corn and wheat are concerned, but so far as cotton and rice and tobacco are concerned, I understand distinctly that production control applies after a referendum has been held by the farmers.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. POPE. I yield.

Mr. TYDINGS. I should like to say to the Senator from Idaho that I have already talked to him and to other members of the committee about a phase of the bill to which I will address myself. It has nothing to do with the acreage or control, but as to the method of accomplishing that in one particular I should like the Senator to be familiar with the point, because, in my judgment, the provision which I have in mind might endanger the standing of the bill at some later time after it shall be passed.

The bill as written provides that the Secretary of Agriculture in certain given instances shall fix quotas; that 30 days after he fixes such quotas he shall take a referendum of the farmers affected thereby; and if more than one-third of the farmers affected thereby vote against the imposition of the quota the Secretary shall then immediately rescind the quota order.

The philosophy of that provision is kindly, and it is well intended; but it seems to me we get into the position that Congress first delegates its power to the Secretary of Agriculture to do certain things, which is all right; but then it further takes from the Secretary of Agriculture the right to move within a certain radius and makes his act bottomed upon the vote of a group of farmers of the country. In my judgment the law cannot remain that way and be good. For example, if a third of the farmers, or 40 percent, to illustrate, vote against the imposition of a quota, the Secretary then has to act. I doubt very much whether a group of farmers can determine the policy of the United States Government.

I suggest that the same thing can be accomplished and the objection I have eliminated if this be done: After the Secretary imposes the quota restriction, let the referendum be had exactly as provided for in the bill, but, instead of having a referendum of a part of the farmers direct the Secretary of Agriculture to take certain steps, let it be only by way of suggesting he may or may not take them, for we all know that if any large number of farmers affected by the quota system do not want it the Secretary is not going to insist on imposing the quota.

My point is that now a small group of farmers can tell the Secretary of Agriculture what the law is, and I doubt very much, with all due respect, whether that would stand up before the courts.

Mr. POPE. Mr. President—

Mr. TYDINGS. Just a moment more, and then I shall have finished. For example, we cannot pass a labor law and allow a certain group of laborers to say whether the law is good or bad. We cannot pass a prohibition law and allow only the preachers to say whether the law should go into effect or not go into effect. I doubt very much whether we can pass a law and provide that a small segment of the people of America can say it is a good law or a bad law according to their votes.

I suggest that we can accomplish the same object by in-direction; and I want the Record to show what I think is a glaring defect in the bill, so that those interested will attempt a solution along some other line.

Mr. POPE. I will say to the Senator that I expected to get to that problem, of course, but have not as yet reached it. There is no doubt that there is an interesting and doubtful legal question involved with reference to the matter of referendums. I will call the attention of the Senator to the fact, however, that in the bill the Secretary is given authority by the Congress by proclamation to impose marketing restrictions, and the referendum would have the effect of suspending such operations. I do not mean to say that that meets the objection of the Senator, but that thought was in our mind at the time the provision was prepared, and later in the discussion, perhaps by the Senator from Alabama [Mr. BANKHEAD] or the Senator from Kansas [Mr. MCGILL], the authorities will be presented with reference to that matter. I think there is some doubt about it, but there are some very substantial authorities that might tend to uphold the form in which the bill is now drawn.

Mr. TYDINGS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Idaho yield further to the Senator from Maryland?

Mr. POPE. I will yield briefly.

Mr. TYDINGS. It may be authorities will sustain the bill as now written. Personally I have not looked at any of them. The point I wanted to leave with those interested in the bill is that, in my judgment, they can accomplish the same thing the bill now provides shall be accomplished, but in such a way that the entire question will be eliminated, by providing that the Secretary shall take his referendum and he may or may not take certain action, which would leave the discretion in him and not in the farmers.

Mr. POPE. I thank the Senator for his suggestion. If he would be good enough to prepare an amendment along that line, I think it would be helpful to those in charge of the bill.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. POPE. I will yield very briefly, because I am unable to proceed in the face of such constant interruption and yielding.

Mr. JOHNSON of Colorado. The Senator is discussing the general provisions of the bill, and I desire to ask this question before he goes into the details of the various portions of the bill. He has stated that one of the important objectives of the bill is to place a ceiling on the price of farm commodities; that is, one of the great objectives is to see that farm prices shall not go too high. The question I wish to ask the Senator is, When were the prices of cotton, wheat, corn, tobacco, or rice too high? When were those prices too high as caused by short crops?

Mr. POPE. Of course, no direct answer can be made to the question. Whether the prices are too high or not would depend on the person dealing with the matter. The consumer might think they were too high, and the producer might not think so.

Let me give the Senator an illustration of what may happen. It occurred in Iowa and was brought out in the hearings which we held at Sioux City. It appeared that because of a shortage of corn in Iowa last year the price of corn went to \$1.30 or possibly as high as \$1.40 a bushel. Then corn had to be imported from Canada and Argentina in order to save the stock of the farmers even in Iowa. It might occur that the prices of farm commodities would go so high that they would not be of benefit even to the farmers themselves.

Mr. JOHNSON of Colorado. Does the Senator from Idaho think the price was too high?

Mr. POPE. I know it certainly is not too high now, because it is only about 56 cents in the central markets.

Mr. O'MAHONEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. POPE. I yield.

Mr. O'MAHONEY. I am very much interested in the response which the Senator from Idaho just made to the Senator from Colorado. As I recall, the question was, When would the prices of these commodities be too high? The Senator from Idaho said that would depend upon the judgment of the person dealing with the matter.

Mr. POPE. Yes.

Mr. O'MAHONEY. Have I stated his answer correctly?

Mr. POPE. Yes; dealing with it in the sense of buying or selling it.

Mr. O'MAHONEY. The Senator does not mean that it would depend upon the judgment of the person who was administering the commodities?

Mr. POPE. Not at all. Of course, I was answering the question of the Senator from Colorado to the effect that the consumer might think the price to the farmer was too high, whereas the farmer himself might think it was too low.

Mr. O'MAHONEY. If I understand the question of the Senator from Colorado, it was designed to elicit information as to when the bill itself would come into operation because the price was too high.

Mr. POPE. What we are aiming at, of course, is parity price. It is assumed in the bill that by balancing production or supply with demand, it would result in a parity price, which every Senator understands.

Mr. O'MAHONEY. Does the bill itself definitely fix that standard?

Mr. POPE. Fix it in what sense? I do not understand the question.

Mr. O'MAHONEY. As to what the price would be when the marketing control would go into effect. Who is to be the judge?

Mr. POPE. The bill has definite provisions with respect to that matter. If the commodity is at a parity price, no ever-normal granary can be established; and no marketing quotas can ever be established so long as the commodity remains at parity price. If it falls below parity price then the regulations and machinery set up in the bill would apply.

Mr. HATCH and Mr. O'MAHONEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. I will yield now to the Senator from New Mexico.

Mr. HATCH. I merely desire to call attention to the definition of "parity," found on page 65, and to say that I think Senators will find the definitions throughout the entire bill do specify certain fixed and definite standards as to all these matters and that they are not left to the discretion of the Secretary of Agriculture. I think that is the answer to the Senator from Wyoming.

Mr. O'MAHONEY. The thought I had in mind at the moment had to do with the effect of the bill upon the livestock industry, which, of course, is of great importance to the State represented in part by the Senator from Idaho [Mr. POPE], as well as my own State. As I read the bill it does not offer any such advantage to the livestock industry, so to speak, as was recommended by the Department of Agriculture.

Mr. POPE. Until parity price is reached, any stored grain cannot be released from the granary; but the Senator will find in the bill that as soon as parity price is reached release of stocks may be made immediately by the Secretary of Agriculture and the commodities thrown into the channels of trade.

I may say further to the Senator from Wyoming that any number of livestock men testified before the subcommittee, and generally they would make the statement that they preferred an even, normal flow of grain and feed into the market at a reasonable price to the ups and downs caused by surpluses and shortages of feed. That was also true of the poultry people who testified in New York City. I think the clear weight of the testimony at the hearings as given by

stockmen, poultry raisers, and other consumers, was to that effect.

Mr. O'MAHONEY. The bill provides on page 65:

"Normal year's domestic consumption" shall be the yearly average quantity of the commodity produced in the United States that was consumed in the United States during the preceding 10 marketing years.

Then on page 66—

Mr. POPE. I think the Senator should finish reading the definition because it is extremely important, in that it provides that it shall not only apply to the preceding 10 marketing years, but it may be "adjusted for current trends in such consumption."

Mr. O'MAHONEY. Yes; but by whom is it to be adjusted?

Mr. POPE. By the Secretary of Agriculture, who administers the bill, or by the corporation which is established. I do not now recall which.

Mr. O'MAHONEY. Does the Senator understand that through the phrase, "adjusted for current trends," the Secretary has the complete power to set aside the average for the 10 years previous?

Mr. POPE. I would say not. I think a fair interpretation of the bill would be that the 10 marketing years would be the fixed definite feature of the matter, and that he would have some discretion to adjust it "for current trends in such consumption." For instance, we found repeatedly that in a State or in a section consumptive demands decreased and in other sections consumptive demands increased. In southern Missouri more cotton is now raised than ever before—

Mr. O'MAHONEY. So it is altogether a flexible discretion?

Mr. POPE. And less tobacco is raised than ever before.

Mr. O'MAHONEY. Is it altogether flexible?

Mr. POPE. To a reasonable extent.

Mr. O'MAHONEY. On page 66 we find the second part of the definition:

"Normal year's exports" shall be the yearly average quantity of the commodity produced in the United States that was exported from the United States during the preceding 10 years, adjusted for current trends in such exports.

Then, on page 67, we find the provision that—

The normal supply for the following agricultural commodities shall be—

And then, going down to corn, which is the commodity in which I am immediately interested, we find the provision that—

a normal year's domestic consumption and exports—

Is what is defined in the bill as the normal supply.

I ask the Senator whether it was not recommended by the Department that there should be a cushion there, and that there should be added from 5 to 7 percent.

Mr. POPE. Yes.

Mr. O'MAHONEY. Why was not that recommendation of the Department adopted?

Mr. POPE. In the opinion of a number of farm leaders, and I think in the opinion of the members of the Agricultural Committee, which considered the matter, it was more important that the ever-normal granary get into operation and that marketing quotas be placed in operation so as to tend to bring up the price, than it was to have a cushion of 5 percent of corn in making up the normal supply.

Mr. O'MAHONEY. What does the Senator believe would be the effect of the provision now included in the bill, against the recommendation of the Department of Agriculture, upon the livestock industry of the West?

Mr. POPE. I have not given careful thought to the question of the full result. It has occurred to me that with the amount of corn now on hand there would be sufficient, with the exports and normal consumption, because the amount consumed for feed is already included in the domestic consumption, and that is averaged; so it had not occurred to me that one would need to fear a shortage of corn feed for

the livestock in the Northwest. If I am wrong about that, of course, I should like to know it; but, since the normal supply takes into consideration very fairly, it seems to me, the needs of the stockmen and all other consumers, the cushion may not be necessary.

Mr. O'MAHONEY. Does it not appear to the Senator that it might be wiser, at least from the point of view of the stock-raiser, that there should be here a cushion which is not now in the bill, but which was recommended by the Department, so that the restrictive discretion of the Department should not be invoked before the price should become too high?

Mr. POPE. I think I have answered the question from my standpoint to the best of my ability. I have not yet realized the necessity of the cushion. Personally I should not object to placing in the bill such a cushion.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. POPE. I will yield very briefly, but I desire to get along.

The PRESIDING OFFICER. The Senator from Idaho has control of his own time. If he does not desire to yield, he need not do so.

Mr. POPE. I yield to the Senator for a question.

Mr. JOHNSON of Colorado. I wish to clarify the question I asked. Naturally the seller always thinks the price is too low.

Mr. POPE. Oh, yes.

Mr. JOHNSON of Colorado. And naturally the buyer thinks the price is too high.

Mr. POPE. Yes.

Mr. JOHNSON of Colorado. Is not the whole theory of the bill to clothe the Secretary of Agriculture with power to fix the price between the buyer and the seller through the ever-normal-granary scheme? Is not the ever-normal-granary scheme simply a method whereby the Secretary of Agriculture shall fix the maximum price of these farm commodities?

Mr. POPE. The Senator from Colorado is entirely mistaken about that. The element of price is, of course, an important feature; and it is hoped that through this program the price may be raised, adjusted, and made uniform. There is, however, another important element, and that is that there shall be an ample supply on hand for domestic consumption, so that the price shall not go unreasonably high because of a shortage which will enable imports to come into the country. So the Senator is not correct in saying that the measure gives to the Secretary power to fix a maximum price upon farm commodities. He is mistaken about that.

Mr. JOHNSON of Colorado. If the Secretary may turn loose the surplus at any time he wishes to do so and at any time he thinks the price is too high, and it is within his discretion to do that, how does the Senator contend that he cannot fix the price?

Mr. POPE. Again the Senator has completely misread the bill. The Secretary has no discretion in the matter. If the price reaches parity he is under obligation to release such portion of the crop as he may think is desirable; but he cannot release it before the product reaches parity price, and after it reaches parity price he is under obligation to do so. The effort is made to keep the price at parity for the sake of the consumers as well as the producers of commodities.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. POPE. I yield.

Mr. BARKLEY. In that connection, if I understand the theory of the bill, it is that by regulating to some extent, if not the production, at least the sale of farm commodities when there is a surplus, which otherwise might be unsalable, over a period of years the adjustment of production to consumption will be such that the law of supply and demand itself will fix the prices, the law of supply and demand of course being aided or abetted by the process of leveling off the production and consumption of these products over the period contemplated.

Mr. POPE. Exactly. Let me remind the Senate of the fact that in 1933, at the beginning of this administration,

the country was faced with a surplus of about 400,000,000 bushels of wheat and about 12,000,000 bales of cotton. The prices were unusually low, so that the attention of the Senate and the country was directed to the fact that surpluses should be reduced. We found that there were a few persons who could not see any connection between a surplus and the price of a commodity, but nearly every farmer who testified could see that connection very clearly. So the Agricultural Adjustment Act was passed, dealing with the matter of surpluses.

Since there had been good crop years for a long period of time, the matter of surpluses was in the minds of the Congress and of the people of the United States; but it was found that not only did we have to deal with the matter of surpluses but we had to deal with the matter of supplies, because a series of drought years in the corn area and the wheat area not only reduced those surpluses but, in the case of corn, actually brought about a shortage of corn.

So, as a result of that experience in dealing with this matter, the idea was conceived of storing quantities of commodities that would be available for use in short years. As the witnesses frequently said in the hearings, we are attempting to go back and do what Joseph did in Biblical days by storing up in fat years quantities of grain for the lean years, and we are attempting to do here by legislation what every prudent farmer probably would do. So the Senator is right in that respect.

Now, let me go on.

Mr. COPELAND. Mr. President, will the Senator let me say a word just here?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from New York?

Mr. POPE. I yield to the Senator from New York.

Mr. COPELAND. I should like to say to the Senator from Colorado [Mr. JOHNSON] that while I am not enthusiastic about this bill by any means, I think on page 12 an effort is made to safeguard the consumer, in case the price goes above the parity price, by providing that certain things must be done by the Secretary to reduce the price.

I say once more, as I have said heretofore, that I do not think the language was very well chosen; but I think the intent is here to give the protection which certainly the consumer is entitled to have.

Mr. POPE. Mr. President, earlier in my statement I called attention to the necessity for this sort of legislation. I referred to the fact that as early as February of 1937 a conference of farm leaders was held to attempt to bring about certain legislation which would meet the agricultural situation in the country. I now desire to give to the Senate the effect of the surpluses accumulated during the year 1937.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the senior Senator from Colorado?

Mr. POPE. I yield to the Senator for a question.

Mr. ADAMS. The inquiry may have been answered; I did not hear all of the debate; but on page 65, in the definition of "parity"—which is a very important term in this bill—the first clause seems to be reasonably clear, and establishes parity upon the basis of the relative purchasing power of the commodity at a certain time and at the present time. I wish the Senator would explain to me, however, the purpose and effect of the subsequent clause, which says:

And which will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during the applicable base period.

It seems to me that in the first half of the paragraph there is set out a definite standard. There is added, however, a clause which in some way is going either to add to or detract from that standard. That is, two other elements are put in, and the bill provides that the parity price shall reflect these things; and I am wondering just what is meant by the term "reflect." If it is going to have any effect at all, it is going either to raise or to lower the parity price established by the initial definition.

Mr. POPE. The Agricultural Adjustment Act was amended in 1935 by adding the language contained in the amendment to which the Senator has referred, and since that time calculations of parity have been made on the basis of the entire definition which now includes the amendment. Rather than again change the definition of "parity," or the practice of calculating parity, the committee thought, I believe, that it would be wise to confirm the action of Congress in 1935, when that full definition was established by law.

Mr. ADAMS. I am conscious of that, but I have still a somewhat inadequate comprehension as to what the effect of the clause would be, and how it could be operated.

Mr. POPE. The Senator can see at once that the comparison between taxes paid in 1914 and 1937 would be an element that would enter into the fair exchange value, as would the amount of interest paid on the indebtedness. Generally it is found that taxes are considerably higher now than they were in 1914, and that interest is lower. As a net result, I am told by department officials, parity would be slightly higher under the full definition than without the amendment to which the Senator has referred. But the thing which influenced the committee more than anything else, I think, is that there is a very slight difference, and it has been calculated in that way since 1935, when the Congress itself amended the definition to the way it now appears in the bill.

Mr. ADAMS. If the Senator will permit me another statement, a bushel of wheat has the same purchasing power regardless of the taxes paid by the farmer who produces it or regardless of the interest he pays. In computing these things, is the Senator taking the average interest and the average taxes paid all over the country, or is he giving some consideration to the status of an individual community or an individual farmer?

Mr. POPE. I must state to the Senator that I cannot answer that definitely. I think averages are used, but I can obtain the information very easily, and will give it to the Senator. But as to the exact method of calculation, I do not know.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. BARKLEY. I assume that if the language referred to by the Senator from Colorado means anything—and I am bound to assume that it does—it means that if interest rates have been lowered, we will say, on farm indebtedness, that fact would be taken into consideration in connection with the provision above with regard to the purchasing power of the farmer. If the interest rates were higher now than they were during the parity period, that would be taken into consideration, and the same would apply to taxes. In all probability taxes are now higher and interest rates are lower than they were during the parity period, and both those elements would be taken into consideration as possibly modifying the rule set out in the first phrase of the sentence.

Mr. POPE. That is exactly the thought I had, and I think that is the correct judgment as to the matter.

Mr. O'MAHONEY. Mr. President, will the Senator permit another interruption?

Mr. POPE. I will yield for a question. The Senator can see that I cannot get along with my speech if constantly interrupted.

Mr. O'MAHONEY. The subject matter is one of such tremendous interest that I am sure the Senator will make progress if he allows these questions to be cleared up.

Mr. POPE. I think the Senator will find that many of the matters will be cleared up if I can go ahead and explain the bill.

Mr. O'MAHONEY. If I may ask this one question, I shall then subside.

I was very much interested in the inquiry of the senior Senator from Colorado with respect to the definition of "parity." This definition, set forth on page 65, includes tax payments per acre on farm land. Does the Senator believe that it is so drawn that tax payments upon all farm

lands, regardless of the crop to which they are devoted, would have to be taken into consideration? Or does the Senator believe that the tax payments taken into consideration would be restricted to land on which was grown the particular crop upon which the parity payment was being made?

Mr. POPE. I am advised that, in the actual computation of parity, averages are taken throughout the country both as to indebtedness and taxes. I do not know how else it could be done.

Mr. O'MAHONEY. It could be done very easily. This is the provision:

"Parity," as applied to prices for cotton, wheat, corn, tobacco, or rice—

There we have five separate commodities—

shall be that price for the commodity as will give to the commodity a purchasing power * * * and which will also reflect current interest payments per acre on farm indebtedness.

That obviously means farm indebtedness involving lands, whether they are devoted to the growing of cotton, wheat, corn, tobacco, rice, or any other commodity. Then the section proceeds:

And tax payments per acre on farm real estate.

That means farm real estate, whether it is devoted to the production of any one of these particular crops or of any other crop. Does not the Senator believe that the definition should be restricted, so far as tax payments and interest payments are concerned, to the amount of acreage devoted to the particular crop upon which the parity payments are made?

Mr. POPE. I think the Senator is giving entirely too much importance to that, for the reason that probably the interest on the indebtedness as to all lands would be almost exactly the same percentage as on the lands concerning these particular commodities.

Mr. O'MAHONEY. But if I had 100 acres devoted to three different crops, let us say, and only one of them was included in the law, and if I received an adjustment on the basis of the 100 acres, I would be getting an advantage over the man who was devoting all of his land to the particular crop on which the payment was being made.

Mr. POPE. The Senator may be right, but I do not understand it that way. It is merely a method of calculating parity, which applies to the commodity wherever it is sold, and the matter of interest and taxes plays such a minor part in determining parity that I think it is relatively unimportant.

Mr. O'MAHONEY. That might be, but I may say to the Senator that my inquiry was prompted by a conviction that the discretion which is granted by law to administrative officials should be restricted within the narrowest possible bounds, and that every provision which grants broad discretion should be considered most carefully by the Congress before approval.

Mr. POPE. I am sure we appreciate the Senator's own view in that matter. The matter of giving discretion depends upon a number of factors. I do not think one could say that in every case discretion should be limited to the narrowest possible bounds. I do think a reasonable discretion, to accomplish the purposes designed for the best interests of all the people concerned, should be the criterion rather than either a large discretion or a small discretion.

I did want to go ahead with my statement, started sometime ago, as to what was found in connection with the production of the various commodities mentioned in the bill after the crop has been harvested, or largely harvested, and I desire to make a comparison between the number of acres planted to the various commodities in 1936 and 1937, and the amount of commodities produced in 1936, as compared with 1937, on the acreage planted, and the value of the crops.

As to wheat, in 1936 there were harvested 48,800,000 acres. In 1937 there were harvested 68,200,000 acres, over 20,000,000 more acres being harvested in 1937 than in 1936. The production in 1936 was 627,000,000 bushels; in 1937, 887,000,000 bushels.

The value of the crop in 1936 was \$624,000,000. It is estimated that in 1937 the value will be around \$700,000,000, although one can see immediately that while there is a small increase in 1937 over 1936 in the value of the crop, it does not correspond at all with the increase in number of acres planted or with the production in 1937.

Mr. COPELAND. Mr. President, will not the Senator include in his remarks other years back of those given by him in his statement of the moment?

Mr. POPE. I think that information can be procured, but for the purposes I have in mind now I have the figures only as to these 2 years, and the Senator will have to be content with these until others may be obtained and put into the RECORD, if the Senator desires to have them.

As to corn, in 1936, 92,800,000 acres were planted and harvested. That resulted in a production of 1,529,000,000 bushels of corn.

In 1937, 96,100,000 acres of corn were planted and harvested. The amount of corn produced in that year was 2,651,000,000 bushels. In other words, over 1,000,000,000 bushels more corn was harvested in 1937 than in 1936.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield.

Mr. McNARY. The net result to be deduced is that climate and preparation of soil has more to do with the crop than the acreage?

Mr. POPE. Perhaps so during any temporary period. In the long run it would not.

The value of the 1936 corn crop was \$1,514,000,000. The value of the 1937 corn crop was \$1,350,000,000. Even though over 1,000,000,000 more bushels of corn were produced in 1937 than in 1936, the amount received—the amount is estimated, but it is very close—was \$100,000,000 less than the amount received for the corn harvested in 1936.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. COPELAND. The point I had in mind a moment ago was that it is hardly fair, is it, to take 2 years close together and form conclusions from these figures, when we do not have the corresponding figures over a longer period of time?

Mr. POPE. I think it is entirely fair for the purpose for which I am giving these figures.

Mr. COPELAND. That may be.

Mr. POPE. That is, to show the reason and the necessity for the legislation. Last year we were going along quite comfortably with the Soil Conservation Act, but this year we find a situation which is not met by the Soil Conservation Act, which the farmers believe and I think anyone who has studied the situation believes does require legislation.

Mr. COPELAND. Mr. President, we thought that the Soil Conservation Act would accomplish its purpose. Now the Senator is presenting figures to show that it did not; but that in all probability the present bill would accomplish the purposes which the other bill failed to accomplish.

Mr. POPE. Yes; that is right.

Mr. AUSTIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. POPE. I yield.

Mr. AUSTIN. I ask the Senator if he understands that under the Soil Conservation Act the Secretary of Agriculture, or the agency that represents the Secretary, does now make contracts for the limiting of production of all kinds of farm products in the interest of conservation of the soil and to prevent erosion? Does the Senator understand that that power which is contained in the act to provide for the protection of land resources against soil erosion, and for other purposes, gives him unlimited, unrestricted powers, as follows?—

To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary, for the purposes of this act.

Mr. POPE. From what is the Senator reading?

Mr. AUSTIN. I am reading from a publication entitled "Laws Relating to Agriculture," compiled by Elmer A. Lewis, superintendent of the document room of the House of Representatives. I suppose it would be authentic. It is a public document.

Mr. POPE. That was not the purpose of my question. I was wondering whether the Senator was reading from the present bill or from the Soil Conservation Act.

Mr. AUSTIN. I do not wonder at the question of the Senator from Idaho. I have not discovered anyone who can identify or say whether such great power as that which I have just read is contained in this pending measure. I am asking the Senator whether he realizes that already Congress has vested the Secretary of Agriculture with absolutely unlimited power to make any of the arrangements that are provided for in the present pending measure?

Mr. POPE. I had not thought so, but I should be glad to examine the statute.

Mr. AUSTIN. I am very curious to know whether that is the situation or not, because if it is so, I should favor a limiting of that authority rather than attempt to reiterate it.

Mr. President, will the Senator yield for another question?

Mr. POPE. I yield.

Mr. AUSTIN. I want to know if the Senator understands that now, under that authority, contracts are entered into with producers so that a man now producing 30 acres of potatoes, at 200 bushels to the acre, will be paid \$171 for changing 1½ acres of ground to some other crop, or that anyone producing 300 acres of potatoes, with a yield of 300 bushels to the acre, will be paid \$2,700 for changing 15 acres to other crops? Does the Senator so understand?

Mr. POPE. I have made no calculations in that connection, I will say to the Senator. I know nothing about it.

Mr. AUSTIN. This ought to be a matter of record in the hearings of the committee.

Mr. POPE. I do not have such figures in mind. I shall be very glad to check the Senator's figures if he desires to have me do so.

Mr. AUSTIN. They are not my figures.

Mr. POPE. I shall proceed now with my discussion.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. POPE. I yield for a question.

Mr. VANDENBERG. Before the Senator leaves his corn figures, in which I am interested, I should like to ask him a question. I understand that the Senator's figures show corn acreage harvested in 1937 at 96,146,000 acres. Is that correct?

Mr. POPE. I have it in round figures 96,100,000.

Mr. VANDENBERG. Yes. Can the Senator tell me what reduction in corn acreage is contemplated by the 1938 agricultural conservation program?

Mr. POPE. I cannot offhand. I shall be glad to obtain that information and give it to the Senator, or put it into the RECORD.

Mr. VANDENBERG. Generally speaking, it is my understanding that it is proposed to reduce acreage about 5,000,000 acres, costing \$221,000,000 to do it. It is also my understanding that during the first 8 months of 1937 nearly 80,000,000 bushels of corn were imported into the United States, and at an average yield of 23 bushels per acre that would represent the equivalent of three and one-half million acres of corn-producing land. In other words, we would appear to be paying \$221,000,000 to reduce our corn crop by just about the amount of our imported corn for 12 months. Does not the Senator think that the importation of corn, then, is of desperate importance in the contemplation?

Mr. POPE. Of course, the Senator understands that by reason of the shortage in the corn crop last year and the year before a very considerable amount of corn was imported. At any time when the price gets high enough that corn can be imported and pay a 25-cent duty per bushel imports will come in. By reason of the desperate necessity of the stockmen to obtain feed corn, they were willing to pay the high price, and therefore a very substantial amount of corn

imports came in during the last year. The Senator's figures may be correct. I have not checked the figures.

I shall now proceed with reference to rice. In 1936, 900,000 acres were harvested. In 1937, 1,000,000 acres were harvested. The production in 1936 was 47,000,000 bushels. In 1937 the production was 52,000,000 bushels. The value of rice produced in 1936 was \$41,000,000. The value of rice produced in 1937 is estimated to be \$32,000,000.

In 1936, 1,400,000 acres of tobacco were harvested. In 1937, 1,700,000 acres of tobacco, or 300,000 acres more, were harvested. The production of tobacco in 1936 was 1,153,000,000 pounds, as against 1,485,000,000 pounds in 1937. The value of tobacco produced in 1936 was \$250,000,000, as against an estimated value of \$325,000,000 for tobacco produced in 1937. I may say that the average price of tobacco in 1936 was the same as the average price of tobacco in 1937. Tobacco is the only one of the five commodities of which that is true.

I think, Mr. President, that I will also put in the Record, as it may be of interest to some Senators, the average farm price for these crops. On October 15, 1936, the average price for a bushel of wheat was \$1.70; in 1937 it was 89 cents. The average price of corn in 1936 was 98 cents a bushel, and in 1937, 59 cents. In 1936 the average price of cotton was 12.2 cents a pound, while in 1937 it was 8.1 cents a pound. The price of rice on the average was 79 cents a bushel in 1936, as against 63 cents a bushel in 1937. Tobacco, as I said a moment ago, was sold at an average price of 23 cents a pound in 1936 and 23 cents a pound in 1937.

So as to all the commodities, except tobacco, one can readily see the situation as to the price decline which seems to bear a direct relationship to the surpluses that are on hand.

I desire now to call the attention of the Senate to the declaration of policy in the bill—I have finally gotten to the bill. I do this for the purpose of discussing very briefly, but I think adequately, the question of whether or not the legislation here contemplated is constitutional under the Hoosac Mills case, holding the old Agricultural Adjustment Act to be unconstitutional. In connection with the discussion I call attention to section 2 of the bill, as follows:

It is hereby declared to be the policy of Congress to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide such adequate and balanced flow of such commodities as will, first, maintain both parity of prices paid to farmers for such commodities marketed by them for domestic consumption and export and parity of income for farmers marketing such commodities; and second, without interfering with the maintenance of such parity prices, provide an ever-normal granary for each such commodity and conserve national soil resources and prevent the wasteful use of soil fertility.

I wish to call the attention of the Senate particularly to the phrase expressing the purpose of this legislation, namely, to regulate interstate and foreign commerce in these various commodities by doing certain things specified in the bill.

Mr. CONNALLY. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER (Mr. HERRING in the chair). Does the Senator from Idaho yield to the Senator from Texas?

Mr. POPE. I yield.

Mr. CONNALLY. Is not the Senator aware, however, that such general declarations are not the things the court will probably look at, but rather what is done by the language that follows the introductory remarks to the legislation?

Mr. POPE. I will say that I think the Senator is generally correct.

Mr. CONNALLY. It does not hurt to put in these generalities, and so on; they perhaps soften the situation; but, after all, that is not conclusive. If what is provided later on in the bill is violative of the limitations upon our power, of course the legislation is not saved by a general declaration as to what our purpose was.

Mr. POPE. That is very true; but the Supreme Court within the last year has, I think, in every case referred to the declaration of policy. That was so in the National Labor Relations Act cases.

Mr. CONNALLY. Exactly. It is assumed that our declaration of policy is true. The courts will make that assumption unless it is made very plain later on by what the measure provides that it is not true. In other words, the Court desires to uphold legislation. The rule is that it assumes legislation to be constitutional unless it appears beyond any question or reasonable doubt that it is not.

Mr. POPE. I have quite carefully prepared my statement on this phase of the bill. I hope it will be interesting.

Mr. ADAMS. Mr. President, will the Senator yield for an inquiry at that point?

Mr. POPE. I yield.

Mr. ADAMS. I was wondering whether this declaration does not weaken the situation by adding an explanation as to why we are going to regulate commerce. Since the bill says it is proposed to regulate commerce for the purpose of maintaining prices rather than to regulate it for commerce's sake, I am wondering if that does not weaken the legal status of that very declaration.

Mr. POPE. I may say to the Senator that very point is now under consideration. I can see, as the Senator from Colorado evidently sees, that the purpose is to regulate interstate commerce while incidentally doing the other things. In other words, the purpose is to regulate interstate commerce in a certain way, and I myself think that the declaration of policy can be improved in statement.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. POPE. I yield.

Mr. BARKLEY. In that connection, while the law itself did not set out in detail the policy as has been done in more recent years, the first act to regulate commerce, which had reference largely to the railroads, of course was based upon the power to regulate commerce, with the incidental, if not the primary, purpose of fixing railroad rates or creating such a situation that railroad rates could be fixed; and we even set up a commission in that case to fix them. So there is not such a wide difference between the use of the power to regulate interstate commerce and to fix rates and prices as might be assumed.

Mr. POPE. I will say that the Senator expresses my view exactly with reference to the matter, and as I intended to make plain in my answer to the Senator from Colorado.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. POPE. I yield.

Mr. AUSTIN. I should like to ask the Senator from Idaho why does he think it is necessary for Congress to make any such declaration as that in the preamble to this proposed legislation?

Mr. POPE. I think it may be of some importance to the court in arriving at a decision. I have noticed that in the Labor Relations Act case the declaration of policy was quoted and referred to by the court, and I think in practically all the other cases of a similar nature. So an expression of policy may be of some importance in connection with a decision in any case that may arise under this bill involving its constitutionality.

Mr. AUSTIN. Mr. President, will the Senator permit another question?

Mr. POPE. Yes.

Mr. AUSTIN. Is it not true that if the legislation we are contemplating deals with commerce instead of with production, there is not any necessity of saying so in the preamble? The Court would not need any help from us by way of explanation if the bill as passed dealt with commerce instead of production, would it?

Mr. POPE. I felt the same way about the decision in the Hoosac Mills case. I thought it was not necessary in the declaration of policy to point out that we were regulating interstate commerce, in effect, but the Court said by reason of the fact that there was no statement or claim in that bill

that we were proposing to regulate interstate commerce, it was a purely local transaction. Therefore, I think it is important, at least, to one who desires to have such legislation as this upheld to make in the beginning a declaration of policy.

Mr. AUSTIN. I thank the Senator from Idaho for that answer, because I think it clarifies the situation and shows the need for a declaration here; that is, if it is admitted that the bill is not clear on this point, then it does need this additional declaration in order to get the Court to go that far in interpreting it.

Mr. POPE. That is a very fair statement.

Mr. McKELLAR. Mr. President—

Mr. POPE. I yield to the Senator from Tennessee.

Mr. McKELLAR. Is there not another reason why the purpose of Congress should be stated? We know in advance that all these bills are going to be contested; they are all going to be taken to the Supreme Court, and ought not the Congress make perfectly clear to the Court, having in mind the litigation which it is known will follow, what Congress had in mind by stating the purpose of the bill on its face?

Mr. POPE. I will say to the Senator that I will call attention in a few moments to the legislative findings which appear in this bill. I think every Member of this body will see the importance of those legislative findings when the Court comes to pass upon the constitutionality of the pending measure.

Now, may I go ahead with my legal argument?

The legal theory on which the pending bill is based is entirely distinct from that which provided the basis for the Agricultural Adjustment Act, which was invalidated by the Supreme Court, January 6, 1936. In that measure, it will be recalled, section 1 of the act recited that an economic emergency has arisen in agriculture. Section 2 declared the policy of Congress to be to establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor as would reestablish prices to farmers at a level that would give to agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period. Section 8 gave the Secretary of Agriculture power to provide for reduction in acreage or reduction in the production for market, or both, of any basic agricultural commodity through agreement with producers and by other voluntary methods, and to provide for rental or benefit payments in connection therewith, or upon that part of the production of any basic agricultural commodity required for domestic consumption in such amounts as the Secretary deems fair and reasonable. The Secretary was empowered to enter into marketing agreements and to issue licenses permitting processors and others to engage in handling in interstate commerce agricultural commodities. The processing taxes were enacted to raise revenue for the payment of benefits and when a claim was made of the receiver of the Hoosac Mills Corporation for processing taxes the act was held unconstitutional. The Court interpreted the act largely on the basis of the general-welfare clause.

The Court held that the power to provide for the general welfare independently of the taxing power is not conferred by the provision of article I, section 8, clause 1, of the Constitution empowering Congress "to lay and collect taxes, duties, imposts and excises, to pay the debts, and provide for the common defense and general welfare of the United States," but the only thing granted is the power to tax for the purpose of providing funds for payment of the Nation's debts in making provision for the general welfare. The Agricultural Adjustment Act, the Court said, in setting up a plan to regulate and control agricultural production, unconstitutionally invades the reserve rights of the States. It was pointed out, however, in the majority opinion by Justice Roberts that the decision was not based on the interstate-commerce aspect of the case. He said:

Despite a reference in its first section to a burden upon, and an obstruction of the normal currents of commerce, the act under

review does not purport to regulate transactions in interstate or foreign commerce. Its stated purpose is the control of agricultural production, a purely local activity, in an effort to raise the prices paid the farmer. Indeed, the Government does not attempt to uphold the validity of the act on the basis of the commerce clause, which, for the purpose of the present case, may be put aside as irrelevant.

The Court further held that while the power of taxation may be adopted as the means to carry into operation another power, also expressly granted, resort to the taxing power to effectuate an end which is not within the scope of the Constitution is inadmissible.

For purposes of argument we may concede that contracts with farmers for the reduction of acreage in the control of production for the sole purpose of controlling production are outside the range of Federal power. This does not indicate directly or indirectly that contracts for the control of production are illegal for the effective regulation of interstate and foreign commerce.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield.

Mr. McNARY. We had few opportunities to call experts before the committee; in fact, we had none. The Senator is now entering upon a discussion of a very important phase of the bill. In the Butler case the court held that we were invading the sacred rights of the States in attempting to control agricultural commodities among the farmers of the country.

Mr. POPE. Without reference to interstate commerce.

Mr. McNARY. That decision was based not alone upon the fundamental philosophy of the law but upon the tenth amendment to the Federal Constitution, which gives the States some rights. In connection with the attempt the Senator is making to base the constitutionality of the provisions of the bill upon the interstate and foreign commerce clause, under the terms of the bill is there provided any regulation whatever of commerce in agricultural products as it has ordinarily flowed in all the years past?

Mr. POPE. I intend to attempt to answer that question later in my discussion.

Mr. McNARY. Secondly, has there been any interruption in the flow of commerce because of undue regulation, and has Congress evinced such a view by the enactment of any legislation heretofore? Is a mere declaration of the view of Congress sufficient to put a law in the class of constitutional enactments so far as the judicial mind is concerned? If this act proposing to control agriculture is not constitutional, according to the decision heretofore rendered by the Supreme Court, can it become constitutional by reference to another provision of the Constitution? There are four suggestions which I should like to have the Senator spend the afternoon in enlightening us.

Mr. POPE. The Senator has asked the very questions I have attempted to answer in the statement which I am endeavoring to make. Whether my answer will prove valid or not is another question.

As stated by Mr. Justice Roberts, the commerce clause of the Constitution was put aside as irrelevant in the Butler against Hoosac Mills decision. Interstate and foreign commerce, however, is certainly not irrelevant and the plight of agriculture at the present time, and through the proper regulation by Congress of the interstate and foreign commerce pursuant to the provisions of this bill the economic situation of the farmer can be set aside.

The bill which is now under consideration approaches the matter in a different way. On page 1, section 2, the declaration of the policy of the bill begins as follows:

It is hereby declared to be the policy of the Congress to regulate interstate and foreign commerce in corn, wheat—

And so forth. The plain import of the declaration of policy of this measure is further strengthened by the legislative findings on page 21, which I shall read. I am going to refer specifically to these legislative findings because in one

or more of the cases which recently have been decided reference has been made and attention paid to the legislative findings. Here are the legislative findings:

The production and marketing of wheat and corn constitute one of the great basic industries of the United States, with ramifying activities which directly affect interstate or foreign commerce at every point, and stable conditions therein are necessary to the general welfare.

I may say that these are legislative findings with reference to corn and wheat. There are other legislative findings with reference to other commodities.

Recurring surpluses and shortages of supplies of wheat and corn on the Nation-wide market are detrimental to the general welfare of the Nation. Surpluses of such supplies destroy the income of farmers, their purchasing power for industrial products, and the value of the agricultural assets supporting the national credit structure. Shortages of such supplies result in excessive prices to consumers and loss of markets by farmers.

In the absence of effective legislation, surpluses of wheat and corn will accumulate and shortages of supplies will occur.

The general welfare requires that such recurring surpluses and shortages be minimized, that supplies of wheat and corn adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty be maintained, and that the soil resources of the Nation be not wasted in the production of excessive supplies.

The conditions affecting the production and marketing of wheat and corn are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages, maintain their incomes in a fair balance with the incomes of individuals other than farmers, maintain normal supplies of wheat and corn, or provide for the orderly marketing thereof.

The marketing of abnormally excessive supplies of wheat or corn materially affects the volume of such commodities in interstate and foreign commerce, disrupts the orderly marketing of such commodities therein, reduces the prices for such commodities with consequent injury to and destruction of such commerce, causes disparity between prices of agricultural commodities and industrial products in interstate and foreign commerce with consequent diminution of the volume of such commerce in industrial products, and otherwise acutely and directly affects, burdens, and obstructs interstate and foreign commerce.

Mr. AUSTIN. Mr. President, will the Senator yield at that point?

Mr. POPE. I yield to the Senator from Vermont.

Mr. AUSTIN. I desire to ask the Senator whether he understands that at all places in the bill where reference is made to acts affecting interstate commerce, it is intended thereby to mean acts directly affecting interstate commerce?

Mr. POPE. There is in the bill a definition of "affecting interstate commerce" which I shall call to the attention of the Senator if he desires it.

Mr. AUSTIN. Mr. President, that is the trouble. I have read that definition. I have read the bill. Of course I could have read it only once in the time since it came before the Senate; but it is the reading of the bill which led to the question. It seems almost obvious that in editing the bill an attempt is made to change the definition of interstate commerce which has been made through years of experience and years of adjudication by our highest court from acts which directly affect commerce between the States to acts which may affect it even remotely and indirectly. That is the trouble, and that is the reason why I asked the question. I made the question broad so that the Senator from Idaho, if he so understood it, would cover the whole matter in one answer. That is, wherever in the bill there is a reference to acts affecting interstate commerce, does the Senator understand that that language is intended to mean acts which directly affect interstate commerce?

Mr. POPE. I think the question which the Senator asks is a fair one. I will say to him that this definition of acts "affecting interstate commerce" is identical with the definition in the National Labor Relations Act, except the last part, which refers to agricultural commodities instead of strikes. The courts gave attention to that definition, and I think it had some influence in the decision of the case. In a few moments I shall call the attention of the Senator to the exact language in the Jones & Laughlin decision on the National Labor Relations Act. If the Senator cares to refer

to the definition in this bill and compare it with the definition in the National Labor Relations Act upon which the court directly passed, it may be interesting to him.

Here is the definition in the National Labor Relations Act:

The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led, or tending to lead, to a labor dispute burdening or obstructing commerce or the free flow of commerce.

That is the definition which the Court passed upon in the Jones & Laughlin case, approved of it, and gave it very important consideration in the decision of that case. We have followed that definition here, except that we have related it to the agricultural problem.

Mr. AUSTIN. Mr. President, will the Senator further yield?

Mr. POPE. I yield.

Mr. AUSTIN. I cannot understand why legislators, in writing bills, do not express in simple, plain language what they mean. If the decision in the Jones & Laughlin case is the interpretation we are to put upon this language in the bill under consideration, why not in the first instance write it into this bill, so that it will plainly say "directly affecting" instead of saying "affecting"?

Mr. POPE. I call the attention of the Senator to the influence which that definition of "affecting interstate commerce" had upon the Court in its decision on the National Labor Relations Act. This is what Mr. Justice Hughes said:

This definition is one of exclusion as well as inclusion. The grant of authority to the Board does not purport to extend to the relationship between all industrial employees and employers—

And so forth. Very great importance was attached to that definition of "affecting interstate commerce" in the Jones & Laughlin case by the Supreme Court in its opinion upholding the National Labor Relations Act. Therefore, we who are interested in this sort of legislation are going to define the term "affecting interstate commerce" as we think it should be defined; and when the matter reaches the Supreme Court, that Court can give it such consideration as it may think it deserves.

Mr. AUSTIN. Then I interpret the answer of the Senator from Idaho to mean that he takes issue upon what is meant by "affecting interstate commerce." That is to say, though he does not directly say so, he disputes the claim I have made that we cannot go beyond regulating acts which directly affect interstate commerce.

Mr. POPE. I shall deal with that matter a little later on in my discussion. At least, I shall give what I think is the answer to the Senator's question.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Texas?

Mr. POPE. I do.

Mr. CONNALLY. In connection with what the Senator from Vermont said, is it not true that in order to control commerce at all, Congress must have the power to control things that obstruct it? Because without the ability to remove the obstructions or the burdens that may be put upon commerce, Congress cannot regulate commerce itself. So the language of the Senator, "directly affecting commerce," does not add anything whatever to the plain statement "affecting commerce," because if an act affects commerce it comes within the scope of congressional power; and the regulation of interstate commerce in the Congress is exclusive of every other kind of regulation, State or otherwise. Necessarily, we have the power to do whatever is necessary to make that regulation complete by removing or doing what we may with anything that affects that commerce.

Mr. POPE. Yes. It is entirely a question of degree. The word "direct" was used in the Schechter case, holding the N. R. A. unconstitutional; but in this case, upholding the constitutionality of the National Labor Relations Act, Mr. Justice Hughes said that the courts were to interpret the question of what affects interstate commerce within the meaning of the Constitution, and that was a question of degree.

Mr. AUSTIN. That means "directly," Mr. President. If it is within the meaning of the Constitution, it cannot be "remotely."

Mr. POPE. Mr. Justice Hughes did not use the word "directly" in this decision, as I recall; but the word was used in the Schechter decision on the N. R. A.

Mr. AUSTIN. As a matter of policy, I ask the Senator whether he is now ready so to change the relationship between the States and the Federal Government as to turn over the control of production in any form from the governments of the several States to the Federal Government.

Mr. POPE. As contemplated in this bill; yes.

Mr. AUSTIN. Then I think the two answers—the answer to the former question and the answer to this question—are completely responsive to my inquiry. I regret that that is the situation, because I had hoped that if we embarked upon farm legislation we could keep within the Constitution, and not make it a vehicle for attempting to change our governmental plan and system.

Mr. POPE. I shall now proceed with my argument.

The basis of the bill and all its provisions related to control of production is the power of Congress to regulate interstate and foreign commerce. In this bill the Congress does not seek, as it did in the Agricultural Adjustment Act, to regulate directly agricultural production for the purpose of bringing relief to the farmer and improving the general welfare of the United States. Those benefits are accomplished incidentally by the wise exercise of the constitutional power of Congress to regulate foreign and interstate commerce.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I do.

Mr. McNARY. That is an interesting statement, but hardly a believable one. If there is any purpose in the world in this bill, it is to clothe the Secretary of Agriculture with plenary power to determine the supply of agricultural products. The word "supply" is the word that was used by Mr. Smith, of the Illinois Institute of the American Farm Bureau Federation, who discussed the bill more intelligently than anyone else. He said, "This is a control-of-supply bill."

Mr. POPE. Yes.

Mr. McNARY. If that is true, what is the difference between the aims and purposes and accomplishments of this bill and those of the A. A. A. when there was an adjusted contract in that case as there is to be in this case?

Mr. POPE. I think essentially the purposes were the same, but they were differently stated; and, as Mr. Justice Roberts said in his decision, no reference was made in the A. A. A. to interstate commerce. There was nothing in the act to show that the regulation of production had anything to do with interstate commerce. We are making that as clear as it is possible to make it by our findings in this bill.

Mr. McNARY. Then it is covered. The Senator states that the purposes and the aims are the same. The objectives are arrived at by the same plan—namely, control of supply by a surplus that will depress the price level. But there is an attempt to get around it in a fantastic way by referring to another provision of the Constitution. That is the difference between this plan and the A. A. A.; that is the statement.

Mr. POPE. I should say that the purpose to afford relief to the farmer by control of surplus is the same. But in this bill, taking the measure as a whole, we deal more directly with marketing than was attempted in the Agricultural Adjustment Act. In that act there was no reference to marketing at all, no provisions relating to marketing, whereas in the bill before us a very important portion relates to marketing quotas and the control of production in connection with the marketing quotas.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. AUSTIN. I hope this does not disturb the Senator. We have been interrupting him many times. On account of the brevity of the time we have had to study the bill we need information, and I ask for information on this particular point of regulation of marketing.

I should be inclined to agree with the Senator from Idaho if the bill contained nothing else but a provision for the regulation of the marketing of goods that cross a State line or a National line, or contracts for marketing, sale, or negotiation for marketing among the several States or between nations; there is, as implied, ample authority in the Constitution for Congress to take hold of that matter and regulate it, even to the point of fixing a quota upon every farm in the United States, as this bill does; but here is the question: Does the Senator claim that the Federal Government has the power to regulate marketing within any one State or on any farm thereof?

Mr. POPE. In the North Dakota case, holding a grain-grading law unconstitutional a few years ago, the Supreme Court held, as the Senator will remember, that such an act was unconstitutional when the grain was in a wagon, I believe, in North Dakota, assuming that wheat was in interstate commerce. In that connection let me call the attention of the Senator to the fact that it is well known that about 85 percent of all wheat raised is shipped in interstate commerce; that about 95 percent of all the cotton raised and about 95 percent of all the tobacco raised is shipped in interstate commerce. In the case referred to the State law was held unconstitutional because it attempted to regulate interstate commerce within the State of North Dakota, where wheat was being transported on a wagon in that State.

Mr. AUSTIN. Mr. President, I do not think the Senator from Idaho is employing finesse to avoid an answer to my question—

Mr. POPE. I did not intend to.

Mr. AUSTIN. I think I ought to put the question in different form, perhaps, to get the answer. I am dealing with the principle. I am asking whether the Senator stands for the principle that the Federal Government may go into a State and regulate by a quota a quantity of corn a farmer may sell within his own State.

Mr. POPE. I do, if it is in the interest of the farmers, and to protect them from destruction by loss of their markets. I am prepared to admit that there might have been some doubt about the power of Congress to regulate commerce in the manner provided in this bill. I will put it this way: There was more doubt at the time of the Carter Coal decision, May 18, 1936, than there is now. However, that decision is not in accord, as I read it, with the general trend of judicial opinion on the interpretation of the interstate-commerce clause or with later decisions in which the Court has taken a broader view in very clear language.

The power of Congress over interstate and foreign commerce, as defined by the Supreme Court in recent cases, is amply broad, in my judgment, to sustain the pending measure. In the case of the National Labor Relations Board against Jones & Laughlin Steel Corporation, decided April 12, 1937, a proceeding by the National Labor Relations Board against Jones & Laughlin to enforce an order of the Board was the subject of litigation.

The Jones & Laughlin Corporation is a Pennsylvania corporation engaged in manufacturing iron and steel. It is the fourth largest producer of steel in the United States, with 19 subsidiaries, owning and operating ore, coal, and limestone properties, lake and river transportation facilities, and terminal railroads located at its manufacturing plants. The company does business in many States and its sphere of influence extends over many more, but the actual controversy arose out of alleged discrimination against 10 employees of the plant at Aliquippa. Ten men were discharged for activities in connection with the Beaver Valley Lodge, No. 200, of the Amalgamated Association of Iron, Steel, and Tin Workers of America. Two of the discharged employees were motor inspectors. One was a tractor driver. Three were crane operators. One was a washer in a coke plant and three were

laborers. If the activities of these 10 men are, in fact, any more closely related to the flow of interstate commerce than the activity of a farmer harrowing his field or cutting his wheat, I am unable to perceive the niceties of the distinction. Nonetheless the order of the Labor Board for the reinstatement of the discharged employees was upheld by the United States Supreme Court. In his opinion Justice Hughes said:

We do not find it necessary to determine whether these features of defendant's business [manufacturing steel without regard to orders or commerce in which it may flow] dispose of the asserted analogy to the "stream of commerce" cases.

I call particular attention to that statement. It may be said that in that case, because the ore was purchased in other States, and other supplies were purchased in other States, and were located at the plant at Aliquippa, perhaps this transaction of the men working on the motor trucks would be in the stream of interstate commerce. That argument might be made, but Chief Justice Hughes said:

We do not find it necessary to determine whether these features of defendant's business [manufacturing steel without regard to orders or commerce in which it may flow] dispose of the asserted analogy to the "stream of commerce" cases. The instances in which that metaphor has been used are but particular, and not exclusive, illustrations of the protective power which the Government invokes in support of the present act. The congressional authority to protect interstate commerce from burdens and obstructions is not limited to transactions which can be deemed to be an essential part of a "flow" of interstate or foreign commerce. Burdens and obstructions may be due to injurious action springing from other sources. The fundamental principle is that the power to regulate commerce is the power to enact "all appropriate legislation" for "its protection and advancement"; to adopt measures "to promote its growth and insure its safety"; "to foster, protect, control, and restrain." That power is plenary and may be exerted to protect interstate commerce "no matter what the source of the dangers which threaten it." Although activities may be intrastate in character when separately considered, if they have such a close and substantial relation to interstate commerce that their control is essential or appropriate to protect that commerce from burdens and obstructions, Congress cannot be denied the power to exercise that control.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. AUSTIN. I ask the Senator if he does not recognize in that decision a recognition by the Supreme Court of the necessity of the cause being proximate, substantially causing the injury, or substantially affecting the injury?

Mr. POPE. The language he uses is "a close and substantial relation to interstate commerce." He does not use the word "direct."

Mr. AUSTIN. That is just the opposite of a remote cause. It is a proximate cause.

Mr. POPE. Let me go on, and then we shall see if the Senator remains of that opinion.

Mr. AUSTIN. I think the Senator ought to give careful consideration to that part of the opinion.

Mr. POPE. Mr. President, I am doing so.

Going further, Chief Justice Hughes made this statement:

Giving full weight to respondent's contention with respect to a break in the complete continuity of the "stream of commerce" by reason of the respondent's manufacturing operations, the fact remains that the stoppage of those operations by industrial strife would have a most serious effect upon interstate commerce. In view of respondent's far-flung activities, it is idle to say that the effect would be indirect or remote. It is obvious that it would be immediate and might be catastrophic.

And I call the Senator's particular attention to this language:

We are asked to shut our eyes to the plainest facts of our national life and to deal with the question of direct and indirect effects in an intellectual vacuum. Because there may be but indirect and remote effects upon interstate commerce in connection with a host of local enterprises throughout the country, it does not follow that other industrial activities do not have such a close and intimate relation to interstate commerce as to make the presence of industrial strife a matter of the most urgent national concern.

Mr. AUSTIN. Mr. President, does not the Senator recognize there that the Court has definitely preserved that doctrine?

Mr. POPE. I may say to the Senator that involved in this case was the driver of a truck, a man who worked in a factory definitely located within a State which manufactured goods for which there was no order to ship into interstate commerce. In connection with that situation arose this case, which Mr. Justice Hughes held was sufficiently connected with interstate commerce to make the act constitutional.

Mr. AUSTIN. He holds that it is a direct effect, a proximate cause, does he not?

Mr. POPE. He said, "close and substantial."

Mr. AUSTIN. Yes.

Mr. POPE. I think we had better use his words.

Mr. President, one must deal with the problem of agriculture in an "intellectual vacuum" to contend that the orderly flow of agricultural commodities from the farm through local markets into national and foreign commerce does not have a similar profound effect upon that interstate and foreign commerce. The Supreme Court has very plainly stated that Congress has power to deal with labor relations between an employee engaged in purely local work, such as washing coke or inspecting motors, and a local employer. The Court recognized that strikes would stop the flow of interstate commerce. I recall the farm strike in 1932. Farmers in the Middle West went on strike and directly interfered with the orderly processes of commerce.

They blew up railroad bridges and highway bridges and committed other acts of violence. An unwieldy and unmanageable surplus had been permitted to accumulate in the channels of trade, completely disrupting the national economy.

It is well settled in the law that terminal warehouses are in interstate commerce. The Supreme Court has described them as the "bottle neck" through which the stream of interstate commerce must flow. In the past disorderly marketing practices, such as dumping huge surpluses of grain or cotton on the market by farmers who did not have the credit to withhold those commodities from the market, have completely clogged those terminals, which are an integral part of interstate commerce. Not theoretically, but in fact, terminal warehouses have been filled so that there was no longer physical room for a bushel of wheat. That, Mr. President, is even more directly an obstruction to the orderly flow of interstate commerce than an industrial strike.

We all know that this country consumes around 650,000,000 bushels of wheat each year. The average citizen, however, does not purchase a full year's supply of bread just because it is time for the farmer to market his wheat. The baker does not purchase a year's supply of flour, nor does the miller grind a year's supply of grain. Under our system of distribution the grain is grown, the flour sold, the bread manufactured and consumed as it is needed. It seems readily obvious that if a million or more wheat farmers are compelled to market their production immediately when it is harvested, the channels of commerce will be clogged, the facilities of distribution will be disrupted, and the national economy will receive a set-back.

Whether or not agricultural production may be called a local matter in a discussion of the general-welfare clause, I have never heard it seriously contended, in the light of constitutional interpretations of the Supreme Court, that agricultural production and marketing does not affect in a very direct and drastic way the interstate and foreign commerce of the Nation. In the hearings which were held during the month of October, the subcommittee of which I was a member heard witnesses, a large number of whom were dirt farmers from 30 States. Regardless of the particular remedy they espoused for the agricultural situation, they were virtually unanimous in the opinion that agriculture is not a local matter but is an integral part of the national economy, a vital factor in interstate and foreign commerce.

Those men were speaking from experience. They raised their grain. They saw it go across State lines. They saw a continuous flow of commerce in connection with that transaction. They knew in their minds that that was a national matter, and one after another throughout the country testi-

fied to that effect. Perhaps they would disagree as to other matters, but not as to whether or not agriculture in these major commodities affected interstate commerce.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. AUSTIN. Let us assume for the purpose of considering the bill that what the Senator has said is perfectly sound, namely, that any act of raising a crop is of sufficient national concern to be said directly to affect commerce among the several States; then why is the Senator so cautious, as he appears to be, not to write the bill according to that principle and say definitely that it deals with acts which directly affect interstate commerce? That is the mystery about this bill. Why define it in such way as to dodge around the word "direct"?

Mr. POPE. I am not clear as to whether or not the Senator wants me to answer that question. I think we have tried to be direct and clear. We are defining something affecting interstate commerce in a way which seems to us fair and reasonable. The Constitution did not use the word "direct." It simply said "commerce with foreign nations and among the several States." Therefore we are in a position to contend that anything which affects interstate commerce closely and substantially, as Mr. Justice Hughes said, is entitled to Federal protection.

Mr. AUSTIN. Mr. President, does the Senator think the Constitution uses the word "affects" in connection with interstate commerce?

Mr. POPE. No, Mr. President; I do not.

Mr. AUSTIN. In view of the doubt about the sincerity of my question, I think I ought to say that the question is not entirely inspired by the language of this bill alone. One who has followed the New Deal legislation from its beginning must observe in it the peculiar characteristic of withholding from the language of the law those specific words which kept the law on its face within the four walls of the Constitution. That is what concerns me more than this particular bill.

I assure the Senator that my questions are sincere, and call for an answer, because I favor agricultural legislation; but I will not favor agricultural legislation or any other legislation which I think, on its face, is in conflict with the Constitution.

Mr. POPE. I assume that the Senator is entirely sincere in that statement; and I certainly would not urge the present proposal with the earnestness with which I am urging it unless I thought the Constitution, if properly interpreted, was broad enough to include this type of legislation.

Mr. AUSTIN. I assume that, too, Mr. President; and I did not question the honesty of thought of the Senator from Idaho at all when I asked him why he did not write this bill according to his understanding that all acts in connection with raising a crop directly affect interstate commerce. I do not question his sincerity. What I question is, what reason has he for not so writing the proposed law?

Mr. POPE. It must be perfectly clear that in all cases the production of commodities does not affect interstate commerce. The raising of vegetables in the Senator's State which are not shipped across State lines may not at all affect interstate commerce, but the planting of wheat or corn or cotton, which go largely into interstate commerce, as I have already indicated, presents an entirely different question. That may very well—and I contend it does—affect interstate commerce; but the planting of all crops does not affect interstate commerce.

Mr. AUSTIN. This bill, as I understand, is limited to those commodities to which the Senator refers as affecting directly interstate commerce?

Mr. POPE. Exactly so. The dairy industry and the raising of potatoes and vegetables and fruit and that sort of thing are not covered by this bill.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. POPE. I yield.

Mr. MINTON. The Senator from Vermont expresses concern about legislation that does not keep within the four corners of the Constitution, and he urges the use of the words "directly affecting interstate commerce." The Senator from Vermont knows that neither the word "directly" nor the word "affecting" is in the Constitution; that those are words that the Supreme Court itself has interpolated into the Constitution in its opinions. If we write the word "directly" into the law, then the Supreme Court would have a right to assume that we were taking the limited view that the word "directly" expresses, whereas if we use only the words "affecting interstate commerce" they might be construed in the broader sense as interpreted in the Jones-Laughlin opinion.

Mr. POPE. If Congress is to regulate in an effective way the flow of agricultural production in the channels of trade, we must start with agricultural production, the practice of farming, just as Congress, in regulating the flow of industrial production in interstate commerce, found it necessary to start at the source of the stream—the labor relations of those engaged in producing articles of commerce. In this measure will be found provision not only for the coordination of production with demand, but provisions for the establishment of marketing quotas. Marketing quotas at most have had a remote effect upon the actual production of agricultural commodities. They are directed at marketing itself, and marketing of these basic commodities is certainly a part of interstate commerce. In view of these facts, I feel justified in proceeding on the premise that agricultural production and marketing is a part of the interstate and foreign commerce which Congress is constitutionally authorized to regulate, and, further, that the pending measure is a proper exercise of that power with reference to basic commodities.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Indiana.

Mr. MINTON. But the purpose of the committee in not using the word "directly," as suggested by the Senator from Vermont, as I gather it, was to enable the Supreme Court to take the broader view of the commerce clause, which the Senator thinks was taken in the Jones-Laughlin case?

Mr. POPE. Exactly so.

Mr. AUSTIN. Mr. President, that is a frank statement that I am glad to have go into the Record to guide us in understanding and interpreting this proposed law. I think it very important to have that view expressed here. If that is the view of Congress, it might affect my action toward the measure; it might make my attitude agreeable to the measure, which now it is not. I am trying to get information, and I am glad to know that that is the objective of at least one sponsor of the measure; that is to say, to extend the interpretation and broaden it over that heretofore given by the Supreme Court.

Mr. POPE. My statement is that I am attempting to give to this problem exactly the same interpretation that was given in the case dealing with the constitutionality of the National Labor Relations Act. If we use exactly the same yardstick there used, I think we can uphold this measure.

Mr. AUSTIN. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President—

Mr. POPE. I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I should like to ask the Senator if it is not a fact that 85 percent of the corn produced in the United States is consumed within the county in which it is produced?

Mr. POPE. Corn itself is mostly consumed within the county and within the State, but it goes right into hogs, which enter, of course, largely into interstate commerce.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. MINTON. The Constitution that the Senator and his committee are dealing with here is the Constitution of 1937 and not the Constitution of 1936.

Mr. GILLETTE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. POPE. I yield.

Mr. GILLETTE. I did not hear the last portion of the discussion, having been called out of the Chamber; but immediately before I was called out, in answer to a question asked by the Senator from Vermont, if, in the opinion of the Senator from Idaho Congress had the right to pass legislation to limit directly a transaction of sale within a State of a foreign product, as I recall, the Senator from Idaho answered categorically, yes. I am sure he meant to limit it by the argument he later presented, that insofar as the transaction affected interstate commerce Congress would have such power, and not to let the answer rest on the categorical response the Senator made at the time.

Mr. POPE. Thank you. The same situation exists that would have existed in the case of a strike in a purely local factory that operated entirely within a State and whose goods were sold entirely within a State. I suppose nobody would contend because that was similar to a strike in a corporation doing a large interstate business that the Federal power was the same in both cases. It must be determined whether or not the particular transaction is tied up with and is closely related to and affects interstate commerce.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. POPE. Yes.

Mr. AUSTIN. I now understand that the Senator's attitude respecting this matter is that he recognizes the principle as it has been held time after time, and never really changed by the Supreme Court, that an act must directly or proximately affect interstate commerce in order to come within the regulatory power given by the Constitution, but that each case depends upon its own facts. Is that the position of the Senator?

Mr. POPE. The Senator cannot induce me, except by inadvertence, into admitting that a transaction such as was involved in the National Labor Relations Act or as involved here would not be sufficiently close and proximate and direct as to be within the Constitution.

Mr. AUSTIN. Mr. President, I understand that the Senator uses the case of which he speaks in connection with this bill as an example. But he recognizes the principle and wishes to adhere to it. Is not that so?

Mr. POPE. I want to adhere to the principle that was laid down by the Supreme Court in its latest decision determining what affects interstate commerce.

There are other cases in which the Supreme Court has upheld the conclusion stated in the Jones & Laughlin Steel Corporation case, which is further strengthened by the case of the National Labor Relations Board against Freedman-Harry Marks Clothing Co., Inc., decided April 12, 1937. The whole matter is summed up, I think, quite well by Justice Hughes in the Jones & Laughlin Steel Corporation opinion, when he said:

We have often said that interstate commerce itself is a practical conception. It is equally true that interferences with that commerce must be appraised by a judgment that does not ignore actual experience.

Experience has demonstrated abundantly during the last generation that the sale and resale, storage, and consumption of agricultural commodities is irrevocably interwoven into the system of commerce among the States and with foreign nations. It is the duty of Congress to regulate this phase of commerce as it has regulated other phases, in the best public interest. That, in my opinion, can best be done by giving to the farmers, as a group, a program by which they, in cooperation with their Government, can bring order out of chaos by setting the national agricultural production and distribution in order. Virtually all practical farmers deplore the conditions under which they now are compelled to do business. The system of distribution for agricultural commodities is not much better than the system early trading companies used on the Indians. Congress years ago saw fit to prohibit practices of commerce which they knew from experience would destroy pacific commerce with the Indian

tribes. It is not too much to ask at this time that Congress grant the same privilege to their fellow citizens who are engaged in the industry of agriculture.

Mr. President, the reason why I made the argument on the Constitution is due to the fact that I myself felt, and I am sure other Senators felt, great doubt as to whether or not the kind of legislation contemplated by this bill could be held constitutional. I have given my views at any rate, my reasons and my authorities for believing it is constitutional. Now I shall take up the bill and go through it as carefully as I can and point out what the bill provides.

After the declaration of policy in the bill, there is a provision on page 3 for loans and parity payments. In section 3 appears a provision for contracts with farmers. Contracts are to be tendered to them for signature. I regard that as very clearly giving to the farmer an option of signing or not signing a contract.

There are provisions as to what the contract shall contain. It is contemplated that the soil conservation program will be continued with substantially its present practices.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. POPE. Certainly.

Mr. McNARY. With reference to the hearings which were conducted in the various States in the West, North, North-east, and Middle West, were not witnesses frequently questioned concerning the provision of the bill which would permit the Department of Agriculture to submit contracts to the farmers, the farmers to have the option and right to sign, and is it not true that all the witnesses who appeared before the committee viewed that effort as an entirely voluntary program? Did not all the farmers who appeared regard it as an entirely voluntary program and method of adjusting production?

Mr. POPE. That is entirely true, with the exception of a very small number. Practically all considered it a voluntary contract. Witness after witness—I should think 99 percent of them—regarded it as a voluntary contract. They frequently referred to the decision of the Supreme Court holding it compulsory. They were perfectly amazed at it because, they said, there was no compulsion about it at all. The interesting thing was that the one or two witnesses who regarded it as compulsory actually did not sign up and participate.

Mr. McNARY. Did I correctly understand the Senator that it is now his intention to take up the bill section by section and discuss it?

Mr. POPE. Yes, if it is desired that the bill be discussed section by section. I had started at the beginning of the bill and had reached section 3, on page 3, and was making some references to the provisions contained in that section relative to contracts.

Mr. McNARY. I have before me a copy of the bill, marked "confidential committee print." That bill contains 124 pages. It also includes the matters stricken out on pages 1, 2, and a portion of page 3 of the bill now before us.

Mr. POPE. I may say to the Senator that the confidential committee print was an earlier print for use of the committee while it was considering the bill, and is not the bill as it has been printed and reported to the Senate.

Mr. McNARY. I fully understand that. I know what a bill is when it is reported to the Senate. I am making no criticism. We studied this one bill with 124 pages and now we have before us a bill containing less than 100 pages. Why did the committee strike out pages 1, 2, and 3? I assume it is a matter of rearrangement, by treating separately the various commodities. I want to get the record straight on that point because anyone reading the bill will wonder why the language was stricken out.

Mr. POPE. I misunderstood the Senator a moment ago. The reason for that was that those who drafted the bill, as well as members of the committee, thought it would be better to have all the definitions at one place in the bill. The Senator will find upon examination that further along

in the bill appears the heading or title "Definitions." That is the reason why a part of page 2 was stricken out.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. POPE. Certainly.

Mr. AUSTIN. I caught some of the discussion as to the voluntary nature of the bill, but not all of it. I am wondering whether the Senator, in view of the marketing quota provisions, understands that every farm in the United States is to have assigned to it a quota and a penalty is to be applied to every farmer in the United States if he exceeds that quota, whether he is a cooperator or not a cooperator, and whether the Senator regards that as voluntary in any respect?

Mr. POPE. We would, of course, have to agree upon what is a definition of voluntary or compulsory, before we could discuss it. I observed from the newspapers in some parts of the West that they regard as compulsory any form of control by contract voluntarily entered into. I am sure I do not know just how to define "compulsory." It is compulsory if one wants to take the position that after a referendum by the voters themselves, he is required to submit to marketing quotas. If we are to regard that as compulsory, that is satisfactory to me, and I am willing to abide by it and observe it and feel that the decision by the people to impose regulations upon themselves is purely democratic. Whether one wants to call that compulsory or not makes very little difference. We know what is done in the bill and the way in which it is done and who decides whether or not it shall be done. That satisfies me.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. POPE. Certainly.

Mr. NORRIS. Let me ask the Senator from Idaho, or any other Senator, if we are going to start out on a program and endeavor to get the consent of the farmer to go into a practical program for anything, no matter what it may be, does it not follow that we must give an advantage to the farmer who goes into it, something so that he will regard it as an advantage to go into the contract rather than stay out? Otherwise everybody would stay out and we could not inaugurate any program of any kind. If that be "compulsory," then it is compulsory.

I think the Senator has very well stated what is provided in the bill. There is nothing covered up. In my opinion it does follow that, if we are going to have any bill of this nature, we must make it appear to the farmer, and make good on that appearance, that he is going to get an advantage if he goes into the program over and above what he would get if he stayed out.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Texas.

Mr. CONNALLY. In connection with what the Senator from Nebraska has just said, is not that an irrefutable argument in favor of some sort of bounty or benefit payment other than mere enhancement of the price? If the bill only enhances the price, then the man who does not comply will get a bigger advantage out of it than the man who does comply, because he will plant all he wants to plant, and will get the enhanced price on an unrestricted production; whereas the man who complies, of course, will get the enhanced price on a smaller production. So there must be in this bill either soil-conservation benefit payments or else a straight-out bounty to the man who does comply, and a denial of that advantage to the man who does not comply. Otherwise, we shall be giving a premium to the man who defies the law and goes ahead and plants all he wants to plant.

Mr. POPE. That is perfectly true. There are only two ways of obtaining compliance. One is by offering an inducement sufficient to persuade the man to comply. The other is by passing a law requiring compliance. In this bill we have sought very frankly to occupy a middle-of-the-road position. We will offer farmers contracts and undertake to

obtain a reduction of surpluses by a voluntary method, offering them as inducements the payment of a parity price as provided in the bill, with the hope that a sufficient number may comply to make the program effective.

In our hearings out over the country one witness after another said, "I think we had better try the sort of program contained in this bill, S. 2787. If it does not work, then we should have stronger legislation to enforce compliance with a program to keep down our surpluses." In the West and the Middle West and the northern part of the country that was generally the attitude. My colleagues who will speak later will tell you of the attitude in the South, which I understand is one somewhat different.

Going ahead with the bill, pages 4 and 5 deal with the mechanics of signing contracts, the period of time for which they will be effective, and make reference to certain provisions that are to go into the contracts.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. McNARY. What is the reason why, instead of following the original plan of the bill and the studies upon which the hearings were held, and treating serially of all the commodities mentioned, the bill as reported is divided up into separate sections, treating specifically of the commodities formerly called "major agricultural commodities"? The change occurred last Sunday when I was not present.

Mr. POPE. I do not think I quite caught the force of the question of the Senator.

Mr. McNARY. When the bill was broadcast the subject matter referred to five so-called basic or major agricultural commodities.

Mr. POPE. The first draft of the bill used the expression "major agricultural commodities."

Mr. McNARY. They were treated at length in a general way through the application of the principles enumerated in the bill.

Mr. POPE. Yes.

Mr. McNARY. As reported, the bill treats of wheat and corn, then of cotton and rice, and so forth. What is the reason why the bill was cut up into pieces when certain members of the committee were present on Sunday last, after the hearings had been closed and after the study had been made?

Mr. POPE. The matter referred to in my statement a few moments ago, I think, was largely responsible for the different treatment of the different commodities. In the original bill all five commodities were treated alike; that is, they were treated under the same provision of the bill, with certain modifications here and there dealing with certain matters in connection with the commodities; but upon the return of the subcommittees it appeared that a great majority of the farmers in the West and Middle West and the whole northern section of the country were not ready to adopt a purely compulsory program. They preferred a program such as the one set out in this bill. As I have already said, some 80 or 85 percent, as nearly as I could judge, did prefer some such program; but the members of the subcommittee which held hearings in the South were of the opinion, as they themselves will express later, that the people of the South desired purely compulsory control as to cotton, tobacco, and rice. In an effort to follow the desires of the farmers themselves as much as possible, the Senators who represent the cotton States, tobacco States, and rice States prepared bills which seemed to be more in accordance with the desire of the people in those States, whereas the Senator from Kansas [Mr. McGILL] and I felt that the bill as originally drawn with reference to corn and wheat met the wishes of the people of the corn and wheat sections of the country about as closely as we could determine.

That is the reason why the Senators from cotton States offered amendments to change the bill as to cotton; and the same thing is true of tobacco and rice.

Mr. McNARY. I understand, then, that the producers of so-called southern crops, and the representatives of those

producers in this Chamber, desired compulsory control and management.

Mr. POPE. At least more compulsory than that desired by those in the West and Middle West. As one of the Senators said, the witnesses testified time after time that they wanted control with teeth in it, and one of them said he wanted control with grinders in it.

Mr. McNARY. A little later I shall ask the Senator to differentiate between the compulsory features applicable to the southern crops and those applicable to the northern and western crops; but I shall not intrude that matter in the Senator's remarks at this time.

Mr. POPE. With reference to the cotton portion and the tobacco portion and the rice portion of the bill, I should prefer to allow the Senators who are responsible for those provisions to explain them. I will say generally, however, that in the portion of the bill relating to corn and wheat we have provision for contracts which provide for continuation of soil conservation, with incidental adjustment of acreage, provision for an ever-normal granary under certain restrictions set out in the bill, and then provision for a referendum and marketing quotas in the part of the bill relating to corn and wheat.

With reference to cotton, as I understand—and I think the same thing is true of tobacco and rice—a referendum is to be held first of the farmers, before the beginning of the marketing year, as to whether or not these control devices will go into effect. If two-thirds of the farmers vote for them, they will go into effect, and will affect the amount of acreage to be planted and the quantity of the product to be raised. They deal, as I recall, both with quantity and with acreage. However, as I said before, the Senators who know most about that matter will discuss it later.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. POPE. I yield to the Senator from Iowa.

Mr. GILLETTE. At an earlier stage in the Senator's remarks some of the Senators on the floor expressed concern over certain reported inequities in soil-conservation payments and also concern with reference to diversion of acreage. I ask the Senator to tell me if I am in error in making this statement with reference to the bill:

It has no purpose whatever to repeal or change the Soil Conservation Act. The provisions as to diversions, with a very limited exception, will remain as they were before. If an adjustment contract is presented to an eligible, and he signs, if this bill becomes law, in lieu of soil-conservation payments he will receive parity payments. If he is eligible and does not sign but does not raise wheat or corn, he still will receive soil-conservation payments. If he is ineligible, he will receive payments the same as before, and the use of acreage and diversion of acreage will be under the same conditions as under the old act.

Mr. POPE. The Senator is entirely correct, by reason of the fact that nearly all the persons who testified at the hearings—I should say 99 percent of them—were favorable to a continuation of the soil-conservation program. It made almost no difference what views they held as to general, permanent legislation; they wanted a continuation of the soil-conservation program. Therefore, I feel that there is very great sentiment for a continuance of that program, and this bill provides that it shall be continued. The only difference is with reference to three of the large crops in the bill. They will receive parity payments in lieu of a certain type of soil-conservation payments which they have heretofore received.

Mr. GILLETTE. Will the Senator yield just one step further?

Mr. POPE. I yield to the Senator from Iowa.

Mr. GILLETTE. And the soil-depleting base provided under the Soil Conservation Act is the foundation stone for the adjustment contract that will be tendered?

Mr. POPE. Exactly; with certain very definite, and, it is thought by the farmers, important amendments to readjust the bases, which have proved unsatisfactory in different parts of the country.

Mr. MCGILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pepper
Andrews	Copeland	La Follette	Pittman
Ashurst	Davis	Lee	Pope
Austin	Dieterich	Lewis	Radcliffe
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Loneragan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Bone	Gibson	McGill	Smith
Borah	Gillette	McKellar	Steiwer
Bridges	Graves	McNary	Thomas, Okla.
Brown, N. H.	Green	Maloney	Thomas, Utah
Bulkley	Guffey	Miller	Townsend
Bulow	Hale	Minton	Truman
Burke	Harrison	Moore	Tydings
Byrd	Hatch	Murray	Vandenberg
Brynes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Wagner
Caraway	Hitchcock	Nye	Wheeler
Chavez	Johnson, Calif.	O'Mahoney	White
Clark	Johnson, Colo.	Overton	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. POPE. Mr. President, I call the attention of the Senate to the provision known as subdivision (f), which appears at the bottom of page 5 of the bill and continues on to page 6. It was thought advisable by those who prepared the bill and by the committee which considered it that an exception be made of the small farmer. This provision is that if a farmer produces and consumes on his farm 75 percent of the corn or wheat which he raises on the farm and sells 25 percent or less he would not be regarded as a producer for market of the commodity and would not be required to participate in such a program as is contemplated unless he desired to do so.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. AUSTIN. That is a very important statement, as I understand it. I ask the Senator if this is not the situation under the bill, that the farmer to whom he refers, who consumes 75 percent and disposes otherwise of only 25 percent, suffers a disadvantage rather than gains any benefit under the proposed law, namely, that he is not qualified to vote in the referendum upon the question of whether his farm shall have a quota fixed upon it, which limits his liberty to sell; but, on the other hand, farmers who are not so situated as he would vote upon that question which affects him, and if there should not be one-third of those qualified who voted not to have the quota go into effect, this particular farmer the Senator has described would nevertheless be obliged to submit to a quota and be liable for a violation of the law if he made such sales as are described in the bill as unfair practices.

In other words, his predicament under the bill is that of disqualification to vote, but liability to penalty as the result of violating rules that are imposed on him as a sequence or sequel of the vote of others.

Mr. POPE. In answering that question I call the attention of the Senator to the provision at the bottom of page 26 and the top of page 27, which reads as follows:

Such farm marketing quotas shall be established for each farm on which the farmer (whether or not a cooperator) is engaged in producing the commodity for market.

I place special emphasis on the words "for market," because under the provisions to which I have already referred the farmer would not be producing the commodity for market. Therefore he could not be affected by marketing quotas; and he would not, I take it, have the right to vote and would not be interested in the matter.

Mr. AUSTIN. Mr. President, the clause which has just been pointed out relates to the farmer's right to vote and to his qualifications, does it not?

Mr. POPE. Yes. If he were producing for market, he would have a right to vote. If he were not producing for market, he would not have a right to vote, and he would not

be interested in the marketing quotas because he would not come under them when they are established.

Mr. AUSTIN. That provision relates only to the farmer's right to vote. When it comes to his liability, however, the Senator will find that in another provision—namely, on page 28, section 22—there appears the following:

It shall be an unfair agricultural practice for any farmer (whether or not a cooperator) to market * * * in excess of his farm marketing quota established for the commodity unless—

So-and-so. In other words, is he not brought within the penalty provision of the bill and barred from the enjoyment of the franchise provided by the bill?

Mr. POPE. I will say to the Senator that my understanding is very clear that in such a case a farmer would not be subject to the provisions of section 22, on page 28, and he would not be guilty of an unfair agricultural practice, because he would have no quota established for his farm; he would not be subject to a marketing quota and would not be subject to the provisions relating to unfair agricultural practices. If that is not perfectly clear to the Senator, I shall be very glad to submit language making it clear; but my interpretation is—and I think the language is clear enough in that respect—that the producer would not be subject to prosecution for an unfair agricultural practice.

Mr. President, in all fairness to the Senate, I think I should call attention to the definition of the language, "consumed annually on the farm," used in subsection 1, at the top of page 6. That definition appears on page 72, lines 6 to 12. The definition, in substance, is that when the commodity is consumed on the farm by a member of the family, or by the stock that is ordinarily kept on the farm, it is to be regarded as consumed on the farm. If, however, the farmer feeds his commodity to livestock which are sold in the market, then he is to be subject to the provisions of the bill. Most corn is fed to hogs and the hogs are sold. That would be regarded as producing for market. So the two provisions of the bill—the one at the top of page 6 and the definition on page 72—would be construed together.

Then in subsection (2), on the same page, is the provision which exempts a farmer to the extent of 300 bushels of corn. In other words, a farmer producing up to 300 bushels of corn would not be regarded as a producer for market. The producer of 100 bushels of wheat would be in the same category.

However, it will be noted that in the same subsection is contained a provision that such a producer, although he need not regard himself as a producer for market, may, if he desires, sign a contract and obtain the benefits of the bill. That, however, is entirely discretionary with such a farmer.

Then it will be noted that the next provision of the bill deals with Soil Conservation Act payments.

Mr. OVERTON. Mr. President—

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. POPE. I yield.

Mr. OVERTON. Can the small farmer who produces less than 300 bushels of corn receive the benefit of this bill?

Mr. POPE. We see by reading the proviso that if he markets 25 percent of his 300 bushels, let us say, he then has the option to become a cooperator. I take it that if he does not sell as much as 25 percent, but consumes it on the farm, he then cannot become a cooperator. That occurs to me as being the proper interpretation.

The Senator from Iowa [Mr. GILLETTE] a few minutes ago stated quite clearly the provision with reference to Soil Conservation Act payments. It will be remembered that under the administration of the Soil Conservation Act there were two classes of payments. Class 1 payments were made for diverting acreage from soil-depleting crops to soil-conserving crops. The other payments were made for observing the general conservation practices. The effect of the provision on page 7 is to withdraw class 1 payments. The term has been changed somewhat in the Department. In effect, the soil-diverting payments will now be withdrawn and the parity payments will take the place of them, but the soil-

conservation practice payments formerly known as class 2 payments will be continued.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. McNARY. Earlier in the day I thought the distinguished Senator from Idaho stated that the bill made no modification of the Soil Conservation Act and that it remains unimpaired and was applicable to all those who received benefits, say, in 1937; that they would have the same benefits in 1938. The very provision to which the Senator now refers is a drastic modification of the Soil Conservation Act.

As an inducement to the farmer to sign a contract, the hope is held out of assured benefits if he will sign a contract with the Secretary of Agriculture to let him run the farm. If the farmer does not do so, if he exercises any independence as a farmer, if he desires to control his farm, he then is denied, under this section, the benefits he now enjoys under the Soil Conservation Act.

Mr. POPE. So far as the soil-diverting payments are concerned.

Mr. McNARY. Certainly. So, really, this bill effects a very substantial modification of the present act, under which all farmers, without discrimination, enjoy its benefits. The pending bill also does this: If a farmer does not produce a soil-depleting crop like wheat or corn or any of those mentioned here, but devotes his land to soil-conserving crops, and does not sign a contract, he can still have the benefits. That is another very substantial modification of the present act.

So it cannot be said, as it was said earlier in the day, that there is in this bill no modification of the present act. In two respects the language of this amendment very materially modifies the present Soil Conservation Act.

Mr. POPE. I think the Senator from Iowa meant, and I certainly meant in approving his statement, that the same program, the same type of work, the same practices, would be carried on by the farmers and by the Department of Agriculture under this bill; but so far as payments are concerned, there is a modification. I understood the Senator from Iowa to mean that the same type of soil-conserving work would continue. I think we understand each other now—that the same type of work would continue with a variation as to payments, so far as class 1 payments are concerned, under the Soil Conservation Act.

Mr. McNARY. And the payment is the substance of the contract.

Mr. OVERTON. Mr. President, will the Senator yield to me?

Mr. POPE. I yield.

Mr. OVERTON. Referring again to the small farmer who produces less than 300 bushels of corn, would he be eligible to enter into an adjustment contract?

Mr. POPE. That is the same question, as I understand, which the Senator asked me previously. I call his attention to the proviso in subsection 2, under which, if a small farmer produces for market 25 percent or more of his 300 bushels he then would be entitled, if he desired, to become a cooperator, but if he did not sell as much as 25 percent of his 300 bushels, as I interpret the language, he would not be entitled to cooperate.

Mr. OVERTON. I may say to the Senator that I understand that provision, but would the small farmer who produces less than 300 bushels of corn be eligible to Soil Conservation Act payments?

Mr. POPE. Oh, yes; my understanding is he would be, because he is not producing for market within the provision that would entitle him to parity payments under this proposed act. Therefore he would continue to be under the Soil Conservation Act.

Mr. President, to proceed with the bill, at the bottom of page 7 there is a provision for surplus reserve loans. That brings us to what some may regard as a very difficult provision of the bill. It relates to schedule A, which appears later on in the bill. The loans are to be made so far as corn and wheat are concerned according to the terms of schedule A.

I think we may now as well refer to schedule A, which appears on page 21. It will be noted that in the first column of the schedule the heading is:

If the total supply at the beginning of the market year, in terms of a percentage of the normal supply, is as follows:

Up to 100, which represents the normal supply, provided, let us say, that the price of the commodity is less than parity and an ever-normal granary is established by the Secretary under other provisions of the bill, then the corn or wheat farmer is entitled to a loan of 85 percent of parity, and is also entitled to a 15-percent parity payment, which on the basis of a hundred, which represents the normal supply, he would get full parity price.

Mr. McNARY. May I ask the Senator a question here, if it will not disturb him, or would he prefer to continue?

Mr. POPE. No; the Senator may proceed.

Mr. McNARY. We are dealing, of course, with wheat and corn, and the hundred percent represents—

Mr. POPE. The normal supply.

Mr. McNARY. And at parity price?

Mr. POPE. No; it would not represent parity price. In order to make a loan, according to another provision, it would have to be under parity price.

Mr. McNARY. Would it represent the average current price?

Mr. POPE. No; the parity price or the average current price may or may not be the same thing. The average current price, of course, means the average price for a given time.

Mr. McNARY. I thought the Senator said a moment ago that if a farmer desired a loan—and I assume the loan is to be on the ever-normal granary theory, is it not, which we have not as yet reached?

Mr. POPE. Yes.

Mr. McNARY. The figure 100 represents the index of the highest loan that could be procured?

Mr. POPE. No; the 100 in this table represents the normal supply.

Mr. McNARY. And what does the 85 figure represent?

Mr. POPE. That represents the percentage of parity at which the loan may be made.

Mr. McNARY. Then, under the ever-normal-granary idea, if I have on my farm 500 bushels of corn and it is worth, we will say, a dollar a bushel, could I get \$850 if the corn were stored in the ever-normal granary?

Mr. POPE. Is the Senator assuming that a dollar a bushel would be parity or the actual price?

Mr. McNARY. I am assuming a dollar a bushel is the average current price or the current price or spot price, whichever it may be called. I have 500 bushels, we will say, in this ever-normal granary; I want to get a loan on it to meet an obligation in the bank, and on that day the spot price of corn is \$1 a bushel, we will say; what loan could I obtain then?

Mr. POPE. At a dollar a bushel that would be a matter of calculation. I think I have a calculation based on that assumption.

Mr. McNARY. I do not want to put the Senator to any trouble about the matter, but I thought, inasmuch as the table is here and he was trying to demonstrate it, that the case put by me was a very simple one, the simplest one that I could conceive of, and that he could probably tell me from the table.

Mr. POPE. Let me give the Senator an illustration, which I think will satisfy his mind. Let us assume that the current average price is a dollar but the parity price is \$1.20. The farmer would be entitled to an 85-percent loan, which would be 85 percent of \$1.20. It requires some calculation, very naturally, to explain the matter to the Senator, but the farmer would be entitled to 85 percent of parity. That would be the amount of his loan. At the end of the year he would be entitled to 15-percent parity payment, unless such 15-percent payment brought him up above parity when added to his loan, and then he would get only 20 cents, which would

be the difference between the current average price and parity, for the purpose is never to pay, in the end, to the cooperator and borrower more than the parity price.

Mr. McNARY. Then, using my homely illustration again, he would get 85 percent of the parity price whenever he sought a loan; and at the end of the marketing year, if the total supply did not exceed the normal supply, he would get 15 cents a bushel more?

Mr. POPE. No; he would get 15 percent of parity more.

Mr. McNARY. He would get 15 percent of parity in addition to the loan he had secured?

Mr. POPE. That is correct.

Mr. McNARY. Is there any other source from which he might get money if the 15 percent plus the loan should not equal the parity price?

Mr. POPE. It would equal it if the supply remained at 100, but if the supply increased then the percentage would be changed.

Mr. McNARY. If the supply went up the farmer would get less?

Mr. POPE. That is correct.

Mr. McNARY. And if it went down and price levels went up, he would get more?

Mr. POPE. That is correct.

Mr. McNARY. Certainly; so we are in accord on that.

If my neighbor took his corn to market 6 months later, he being able to get along without the loan which I was forced to make on account of pressing obligations at the bank, would the parity price remain the same or remain frozen during that 6 months?

Mr. POPE. If he made application for a loan, and the normal supply had increased substantially, then, he would obtain a loan on the basis of the percentages set out in the table.

Mr. McNARY. I will use that. In Iowa I should say the frugal farmer harvests his corn in October. Assuming he gets 85 percent under the formula the Senator from Idaho and I have just discussed, and he holds that corn in his granary on his farm until the following March, does the parity price, so far as it affects his ability to receive more than under this formula, remain the same?

Mr. POPE. I think I should call the Senator's attention, in answer to that question, to the heading over column 1, which reads, "If the total supply at the beginning of the marketing year," and so forth. The total supply at the beginning of the marketing year seems to control the figures which appear in column 1.

Mr. McNARY. If the bill becomes a law, I want to see it function. I am not asking this as a catch question. I want to ascertain its practical application. This would be after the marketing year. I am using the marketing period beginning, say, November 1. The farmer gets a loan on his 500 bushels of corn on the basis of 85 percent of parity price. His neighbor does not want a loan until the following March, when he applies for it. Is his neighbor then to get 85 percent of the parity price the same as the farmer did in September, or does the neighbor suffer a loss in credit, or a gain?

Mr. POPE. As I understand, since the total supply is calculated as of the beginning of the marketing year and would continue, I take it, through that year, then they would both be entitled to the same loan even though one of them asked for it 6 months after the other.

Mr. McNARY. If I may be pardoned, I do not think that would be the answer, because the total supply would not be the same in September as it would be the following March. It would be greatly reduced. Does the reduction of the total supply have any effect upon the parity price so far as obtaining a loan is concerned?

Mr. POPE. It might have an effect upon the parity price, but it would not have any effect upon the percentages contained in the first column of schedule A. The Senator will understand the total supply at the beginning of the marketing year is the basis for the time when the figures in column

1 shall apply. In the meantime if the parity price changes and the percentage remains the same, then, of course, it would change the amount of his loan.

Mr. McNARY. I think both of us had better leave this to some expert in the department, if we can find one who can do the job. It is difficult to support legislation that one cannot understand or himself explain.

Mr. POPE. I may say to the Senator that I have made numerous calculations in figures on the basis of the table, and they are much more understandable, because it is difficult to use words to explain definitely the figures and the calculations.

Mr. McNARY. Let me propound this question, and then I shall not pursue the analysis of this very difficult table further. The loan value of the farmer's product is here based on the ever-normal granary and the parity price.

Mr. POPE. Yes.

Mr. McNARY. As I stated a while ago, supposing the current average price of corn is \$1.10 a bushel, or the spot price is \$1.10 a bushel, what would be the difference between that price, if he wanted to sell it in the open market, and the parity price if he wanted to obtain the loan through the Corporation?

Mr. POPE. The Senator will readily see there is a provision in the bill authorizing the Secretary to calculate parity prices from time to time; but assuming that the supply is normal and that the parity price is \$1.20 on wheat and the average farm price or current farm price is \$1.10, in that case the parity payment would be 10 cents to bring the amount he obtained up to parity, and the loan would be 85 percent of \$1.20. In that way one can come down the columns of the schedule and take in the situation as to the total supply and calculate just what the loan would be and what the fair exchange would be.

Mr. McNARY. Then the Senator thinks if we were chosen to administer the law we would have no difficulty?

Mr. POPE. I do not say we would have no difficulty, because I do not know of any law that can be administered without difficulty. The question is whether it is fair and practicable. The reason why the percentage of loan goes down as the total supply increases is to encourage the farmer to participate in the program of keeping down the supply. For instance, when total supplies are up to 114 or more, the loans the farmer could obtain at the parity price would only bring him 82 percent. The important thing about the schedule is to recognize that fact that a rather carefully prepared list of percentages is worked out with the intention of requiring the farmer who increases the total supply of commodities to participate in the sacrifice that has to be made in connection with it.

Mr. McNARY. The figure 114, then, means the total supply is 14 percent higher than the normal supply?

Mr. POPE. That is correct.

Mr. McNARY. That being so, instead of 85 percent, he would get 52 percent. Instead of getting \$85 at the bank on every \$100 worth of corn, he would get \$52.

Mr. POPE. He would get 52 percent of the parity price as a loan instead of 85 percent as when the supply was normal.

Mr. McNARY. That is the way the Senator analyzes the table as it goes from 100 down to 114?

Mr. POPE. Yes, or up to 114 in total supply. That is correct.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. POPE. Certainly.

Mr. GILLETTE. As I have been reading the provision, with reference to the Surplus Reserve Loan Corporation, a question came to my mind and I would like to have the Senator to comment on it. We have, as the Senator knows, the Commodity Credit Corporation, which we have extended to 1939, organized under the laws of the State of Delaware and empowered to make loans on warehouse farm products. Incidentally we have that \$93,000,000 of capital stock in commodities credits. We are providing now to set up the Surplus

Reserve Loan Corporation with a capital stock of \$100,000,000, which we are subscribing and authorizing them to issue. I am wondering to what extent those two agencies will parallel or overlap or interfere with each other in the making of loans?

Mr. POPE. I think that is a very fair question to raise. At the time the bill was prepared, a separate organization or corporation was authorized for the purpose of making loans under the bill if it should be passed. Whether or not the same organization which is already in the field making loans could be used for this purpose is a matter which I think we should consider. I could not answer the Senator now as to what ought to be done about it, or whether or not we could strike out the provision for creating this corporation and utilizing that one; but I am glad the Senator has raised the question, in order that we may consider it.

With reference to the provisions as to surplus reserve loans which appear on pages 7, 8, and 9, there are certain restrictions and regulations which I think are clear.

Mr. McNARY. Mr. President, will the Senator bear with me a moment?

Mr. POPE. I yield.

Mr. McNARY. The language in italics on page 9 was not in the bill when hearings were held, nor even when free discussion was had. How does the Senator interpret that language? What is it in there for, and who caused its insertion?

Mr. POPE. I will answer the questions in inverse order. The Senator from Mississippi [Mr. BILBO] offered the amendment, and I should like to have the inquiry regarding it deferred until he may have an opportunity to explain his purpose in offering the amendment.

Mr. McNARY. Very well. I shall be very glad to relieve the Senator from Idaho from that obligation and wait until the Senator from Mississippi is in the Chamber.

Mr. POPE. The provision beginning at the top of page 10 provides for parity payments for cotton, wheat, and corn. I think the discussion of the Senator from Oregon with reference to schedule A probably makes unnecessary any particular reference to the provision for parity payments.

Mr. AUSTIN. Mr. President, may I ask the Senator a question?

Mr. POPE. I yield to the Senator from Vermont.

Mr. AUSTIN. Is the receipt of the benefit or payment provided for in section 6 dependent on cooperation for one thing, and production within the quota for another thing?

Mr. POPE. Yes.

Mr. AUSTIN. Now, let me ask whether the right to payment is in any way affected by conformity to the marketing quota.

Mr. POPE. It is not. They are two entirely separate acts and have no relation to each other in that respect.

Now, we go to the top of page 12.

Mr. McNARY. Mr. President, will the Senator permit me again to interrupt him?

Mr. POPE. I yield.

Mr. McNARY. I ask these questions because the bill in its present form is not in the form in which I saw it on Saturday, and I did not attend the session on Sunday.

On page 10, line 18, the following language appears:

Such payments in case of wheat and corn shall be paid on the aggregate normal yield of his soil-depleting base acreage for the commodity.

That seems to make an exception in the case of corn and wheat, which is not applicable to the other commodities named in the bill.

Mr. POPE. I will say to the Senator that that provision relates to cotton, wheat, or corn. There is in the bill, in the cotton section, a provision that loans may be made on cotton at the discretion of the Secretary of Agriculture, with the approval of the President, and they are not subject to schedule A. That provision applies to cotton. Corn and wheat come under schedule A. With reference to parity payments, however, I will say to the Senator that cotton will

receive parity payments, as I understand, on the basis of schedule A to the extent to which funds may be available for making such payments.

Mr. McNARY. Mr. President, will the Senator permit a further statement?

Mr. POPE. I yield to the Senator from Oregon.

Mr. McNARY. Without again quoting the language I read a few moments ago, the provision found on page 10 is related, is it not, to the soil-depleting base acreage found on page 14?

Mr. POPE. No. As to cotton, I will say that it is not related, if the Senator please, because in the cotton section of the bill there is provided another method of determining the base acreage as to cotton. The base acreages contained on pages 14 and following relate only to corn and wheat.

Mr. McNARY. Yes; but in the bill as introduced and as studied throughout the country and as brought before the committee up until Sunday—that is the day on which the bill was reported out—the national soil-depleting base acreages for all these commodities were specified.

Mr. POPE. Yes.

Mr. McNARY. Now, I observe the provision as to cotton—45,500,000 acres—has been stricken out.

Mr. POPE. Yes.

Mr. McNARY. The item as to wheat has been retained, excepting that in the last version of the bill the acreage has been increased by 4,400,000 acres.

Mr. POPE. Oh, no! With reference to wheat, I will say that white wheat and red hard wheat were added together, so that wheat covers the base acreages of both kinds.

Mr. McNARY. Very well. In the item of wheat—67,400,000 acres—all wheat is included.

Mr. POPE. Exactly. It is just an addition of the figures which were originally in the bill.

Mr. McNARY. I appreciate that. When it comes to corn the same soil-depleting acreage as before is used.

Mr. POPE. The same as before.

Mr. McNARY. But when it comes to rice and tobacco of various types they are out. So at this time a different base acreage is used in relation to wheat and corn than in the case of the other products, namely, cotton, rice, and tobacco.

Mr. POPE. Yes; for the reason that the Senators on the committee who represent cotton, tobacco, and rice States desired a slightly different method of determining the allotted acreage than the corn farmers seemed to desire, as indicated in this provision of the bill which relates only to wheat and corn. We tried to follow the wishes of the Senators and the farmers from the different sections.

Mr. McNARY. I assume that the acreage given here, and called the national soil-depleting base acreage, is the maximum acreage which could be devoted to the production of any crop.

Mr. POPE. Not any crop, but wheat and corn.

Mr. McNARY. Any crop mentioned in the bill?

Mr. POPE. Yes.

Mr. McNARY. It has no relation to the crop which may actually be cultivated for that purpose, but it cannot go any higher.

Mr. POPE. I think I may answer the Senator's question in this way:

The base acreages set out in the bill are the acreages which represent substantially a 10-year average period. That is particularly true as to wheat. As to corn, the bill represents practically a 5-year average; but those are the figures which the farmers representing the wheat and corn areas desired. Then those figures were used as a base, with deductions from year to year of amounts that the Secretary may determine.

In the cotton and tobacco and rice sections of the bill it was desired to make a different approach in the allotment of acreage. Instead of designating a base acreage in the Nation and then calculating the reduction on that, it was decided, in effect, to start new and designate the amount of

acres that were necessary and desirable to produce the normal amount of the commodity. So there is a slightly different approach in the method appearing here with reference to corn and wheat and the method appearing in the parts of the bill relating to cotton, tobacco, and rice; but I am assured by the Department that substantially the same results will be attained by either method.

Mr. McNARY. Mr. President, I should like to pursue that a little further, but I shall make a request of the two able Senators in charge of the bill. I know the Senator from Idaho must be tired, and would he not be willing to conclude at this time until Friday?

Mr. POPE. That is agreeable to me.

Mr. McKELLAR. Before that is done, will the Senator tell me where to find in the bill the title covering cotton?

Mr. MILLER. It begins at page 31.

Mr. McKELLAR. I thank the Senator.

Mr. POPE. I should like to have any Senators who have questions with reference to the allotment of cotton acreage defer them until the Senator from Alabama [Mr. BANKHEAD] or other Senators interested in the production of cotton may be on the floor.

Mr. McNARY. I think that is a very fair request, I appreciate the situation.

Mr. POPE. If it is agreeable, I shall be glad to defer any further statement in the matter until the Senate shall convene again.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 516) to provide for certain expenses incident to the second session of the Seventy-fifth Congress, and it was signed by the Vice President.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of William Dawson, of Minnesota, formerly Envoy Extraordinary and Minister Plenipotentiary to Colombia, to be Envoy Extraordinary and Minister Plenipotentiary to Uruguay, vice Julius G. Lay, retired.

He also, from the same committee, reported favorably the nominations of sundry officers in the Diplomatic and Foreign Service.

The PRESIDING OFFICER (Mr. LEE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the Executive Calendar.

RECESS TO FRIDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock a. m. on Friday next.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate took a recess until Friday, November 26, 1937, at 11 o'clock a. m.

CONFIRMATIONS

*Executive nominations confirmed by the Senate November 24
(legislative day of November 16), 1937*

POSTMASTERS

CALIFORNIA

William D. Tracy, Buttonwillow.
Aileen L. Devine, Calpine.
Agnes M. Falck, Del Paso Heights.
Carl R. Sensenbaugh, Empire.
Charles M. Rice, Hamilton City.
Emelia S. Schutt, Lafayette.
Marie J. Smoot, Mendota.
Elaine Todd Davis, Mentone.
Floyd M. Filson, Tennant.

GEORGIA

Herbert H. Maxham, Austell.
Luther P. Goolsby, Carlton.
Bessie E. Meeks, Kite.
Elliott Redding, Lake Park.
Odessa M. Shepherd, McIntyre.
Don W. Pettitt, Nelson.
May M. Walker, Patterson.
Estelle C. Tapp, Powder Springs.
Floy F. Barnett, Resaca.
Alice V. Ethridge, Sparks.

HAWAII

Isaac D. Iaea, Jr., Wailuku.

IDAHO

Ruth E. Lindow, Avery.
Maude M. Howe, Donnelly.
Bessie B. Todd, Melba.
Logan M. Bowman, Payette.
Edwin N. Kearsley, Victor.

MARYLAND

Patrick E. Conroy, Barton.
James A. Hayman, Fruitland.
Henry F. Himburg, Mayo.
Wylie L. Donaldson, Odenton.
Cecil E. Trinkaus, Oella.
Jennings R. Richards, Westover.

MICHIGAN

Gabriel J. Chopp, Ahmeek.
James D. George, Crystal.
Lawrence Tobey, Free Soil.
Fred O. Grover, Middleton.
Ferdinand F. Siegmund, New Buffalo.
Elwin E. Ritchie, New Troy.
John O. Grettenberger, Okemos.
Gordon D. Dafeo, Owendale.
William H. Riecki, Palmer.
Matti Halmet Oja, Pelkie.
Erick W. Wallbom, Trout Lake.
Joseph D. Norris, Turner.
August V. Jacober, Waterford.

NEBRASKA

Edith F. Francis, Belden.

NEW YORK

Clayton F. Smith, Blue Mountain Lake.
Mary Young, Cornwall Landing.
Joseph C. English, Depew.
William Burns Kirk, De Witt.
Edward M. Youmans, Eagle Bay.
Agnes H. Brink, Endwell.
Henry J. Myer, Haines Falls.
John H. Joyner, White Sulphur Springs.

VERMONT

Murray K. Paris, Lyndon.
Adelbert G. Dudley, Shoreham.

WISCONSIN

Haylor G. Koziczowski, Amherst Junction.
Archie L. Foley, Dalton.

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Kenneth E. Whistler, Downing.
Lester H. Olsen, Egg Harbor.
Winfield A. Rogers, Ellison Bay.
George H. Reinders, Elm Grove.
Ludy J. Drolson, Lake Nebagamon.
Charles D. Cross, Larsen.
Jennie Ruid, Loretta.

HOUSE OF REPRESENTATIVES

WEDNESDAY, NOVEMBER 24, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, be attentive unto our supplication. According to Thy name is Thy praise unto the ends of the earth. Bless us with the mercy of grateful hearts as we stand in the foreglow of our Thanksgiving Day. Let everything that is human and temporal be beautiful in the light of the divine. Open the floodgates of our hearts and let a great tide of gratitude surge through our souls. We thank Thee for our Republic, which has not been thrown into medieval warfare, and we rejoice as we look over this turbulent earth that we are at peace and the happiest people under the skies. We praise Thee for our broad, fruitful acres, for the fountains that spring out of valleys and hillsides, and for bread without scarceness. Teach us, O Lord, that the essence of Christian heroism is to be good to the poor and the desolate. Richly bless those whose hearthstones have little left but the gray ashes of broken loves. Oh, may their dawn be near the breaking. Preserve the health of our President and bestow upon the Congress rich and abundant blessings, and may we all hear the call of the higher music of God. For the dear Redeemer's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 516. Joint resolution to provide for certain expenses incident to the second session of the Seventy-fifth Congress.

THE LATE ALBERT SIDNEY BURLESON

Mr. LYNDON JOHNSON. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes out of order to announce the death of a former Member of this body.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYNDON JOHNSON. Mr. Speaker, it is with profound sorrow—and with a deep sense of poignant personal loss—that I announce to the Members of the House of Representatives this morning, the death of one of the most distinguished public servants the State of Texas has given the Nation—Albert Sidney Burleson.

General Burleson died this morning at the age of 74 years at his comfortable old Texas colonial home deep in a grove of hill-country trees and shrubs, in the heart of the business district of Austin. The end came suddenly, and without the agony and wretchedness which so often make the close of life a burden and a cross. It came as he would have wished it, in the midst of a busy life in his community, a life ennobled by a zealous interest in everything occurring about him.

General Burleson was born in San Marcos, Hays County, Tex., on June 7, 1863. He was educated in the public schools of Texas and admitted to the Texas bar after his graduation from the University of Texas at Austin in 1884.

After serving in public offices of his own county and city, he was elected to the Fifty-sixth and the seven succeeding Congresses. He resigned as a Member of this body, in which his long and meritorious service won him outstanding credit and acclaim, to accept an appointment as Postmaster